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HEALTH SERVICES AND DEVELOPMENT AGENCY
JUNE 26, 2019
APPLICATION SUMMARY

NAME OF PROJECT: Tenn SM, LLC d/b/a Providence Surgery Center

PROJECT NUMBER: CN1903-008

ADDRESS: Unaddressed location at SW Corner of Belinda Pkwy.
and Providence Trail intersection
Mt. Juliet (Wilson County), TN 37122

LEGAL OWNER: Tenn SM, LLC
5002 Crossing Circle, Suite 110
Mt. Juliet (Wilson County), TN 37122

OPERATING ENTITY: USP Tennessee, Inc. (United Surgical Partners
International)
20 Burton Hills Boulevard, Suite 210
Nashville (Davidson County), TN 37215

CONTACT PERSON: Corey Ridgway, Market President
(615) 376-7300

DATE FILED: March 13, 2019

PROJECT COST: \$8,082,908

FINANCING: Loan and Owners' Equity

PURPOSE FOR FILING: Relocation of a Multi-Specialty ambulatory surgical
treatment center (ASTC) and the Addition of One
Procedure Room

DESCRIPTION:

Tenn SM, LLC d/b/a Providence Surgery Center (Providence) is seeking approval to relocate an existing multi-specialty ambulatory surgical treatment center (ASTC) from 5002 Crossing Circle, Suite 110, Mt. Juliet (Wilson County), TN approximately one mile to an unaddressed location at SW Corner of Belinda Pkwy. and Providence Trail intersection, Mt. Juliet (Wilson County), TN. The ASTC will also add one procedure room so that there will be two operating rooms and two procedure rooms.

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SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW²

Ambulatory Surgical Treatment Centers

The following apply:

1. Need. The minimum numbers of 884 Cases per Operating Room and 1867 Cases per Procedure Room are to be considered as baseline numbers for purposes of determining Need.² An applicant should demonstrate the ability to perform a minimum of 884 Cases per Operating Room and/or 1867 Cases per Procedure Room per year, except that an applicant may provide information on its projected case types and its assumptions of estimated average time and clean up and preparation time per Case if this information differs significantly from the above-stated assumptions. It is recognized that an ASTC may provide a variety of services/Cases and that as a result the estimated average time and clean up and preparation time for such services/Cases may not meet the minimum numbers set forth herein. It is also recognized that an applicant applying for an ASTC Operating Room(s) may apply for a Procedure Room, although the anticipated utilization of that Procedure Room may not meet the base guidelines contained here. Specific reasoning and explanation for the inclusion in a CON application of such a Procedure Room must be provided. An applicant that desires to limit its Cases to a specific type or types should apply for a Specialty ASTC.

The applicant is projecting 786 cases per operating room (OR) in Year 1 and 1,191 cases per OR in Year 2. The applicant is projecting 457 cases per procedure room (PR) in Year 1 and 744 cases per PR in Year 2.

It appears that the applicant will meet the optimal utilization level for operating rooms by the second year of operation. It appears that the applicant will not meet the optimal utilization for procedure rooms; however, the applicant has justified the need for an additional procedure room to maintain infection control procedures for gastroenterology and pain management procedures. The applicant has stated that these cases should not be performed in the same procedure room.

It appears this criterion will be met.

2. Need and Economic Efficiencies. An applicant must estimate the projected surgical hours to be utilized per year for two years based on the types of surgeries to be performed, including the preparation time between surgeries. Detailed support for estimates must be provided.

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The applicant provides projected case volumes by operating and procedure rooms, expected minutes in use for each of the operating and procedure rooms, and expected turnaround time for each of the first two years of operation. The applicant expects that the operating rooms will be in use approximately 55% of schedulable time in Year 1 and approximately 84% of schedulable time in Year 2. The applicant expects that the procedure rooms will be in use approximately 15% of schedulable time in Year 1 and approximately 25% of schedulable time in Year 2.

It appears this criterion has been met.

3. Need; Economic Efficiencies; Access. To determine current utilization and need, an applicant should take into account both the availability and utilization of either: a) all existing outpatient Operating Rooms and Procedure Rooms in a Service Area, including physician office based surgery rooms (when those data are officially reported and available³) OR b) all existing comparable outpatient Operating Rooms and Procedure Rooms based on the type of Cases to be performed. Additionally, applications should provide similar information on the availability of nearby out-of-state existing outpatient Operating Rooms and Procedure Rooms, if that data are available, and provide the source of that data. Unstaffed dedicated outpatient Operating Rooms and unstaffed dedicated outpatient Procedure Rooms are considered available for ambulatory surgery and are to be included in the inventory and in the measure of capacity.

The applicant notes that there are currently 41 ASTCs in the three-county service area of Wilson, Rutherford, and Davidson Counties. Thirteen are multi-specialty and twenty-eight are single specialty. These ASTCs have 82 operating rooms and 58 procedure rooms.

4. Need and Economic Efficiencies. An applicant must document the potential impact that the proposed new ASTC would have upon the existing service providers and their referral patterns. A CON application to establish an ASTC or to expand existing services of an ASTC should not be approved unless the existing ambulatory surgical services that provide comparable services regarding the types of Cases performed, if those services are known and relevant, within the applicant's proposed Service Area or within the applicant's facility are demonstrated to be currently utilized at 70% or above.

Note to Agency members:

For a dedicated outpatient operating room:

- ***Full Capacity is defined as 1,263 cases per year.***

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- ⁴*Optimum Capacity is defined as 70% of full capacity, or 884 cases per year.*

For a dedicated outpatient procedure room:

- *Full Capacity is defined as 2,667 cases per year.*
- *Optimum capacity is defined as 70% of full capacity, or 1,867 cases per year.*

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ASTC Operating and Procedure Room Utilization in the Service Area-2018

County	ASTC	Specialty(ies)	# ORs/PRs	# Cases per OR	# Cases per PR	% of meeting Optimal Capacity OR PR	
Davidson	American Endoscopy	Endo.	1/0	525	NA	59.4%	NA
Davidson	Associated Endoscopy	Endo.	0/3	NA	1,696	NA	90.8%
Davidson	Delozier SC	Plastic Surg.	1/0	393	NA	44.5%	NA
Davidson	Digestive Disease Endo.	Endo.	0/4	NA	1,645	NA	88.1%
Davidson	Eye SC of Middle TN	Ophth.	2/0	635	NA	71.8%	NA
Davidson	Eye SC of Nashville	Ophth.	2/0	2,784	NA	314.9%	NA
Davidson	Gurley SC	GYN	0/3	NA	58	NA	3.1%
Davidson	LVC Outpatient SC	Ophth.	2/1	785	0	88.7%	0.0%
Davidson	Mid-State Endoscopy	Endo.	0/2	NA	1,382	NA	74.0%
Davidson	Nashville Endo SC	Endo	0/3	NA	1,146	NA	61.4%
Davidson	Nashville Gastro. Endo. Cnt.	Endo.	0/3	NA	896	NA	48.0%
Davidson	Nashville Vision Correction	Ophth.	0/1	NA	151	NA	8.1%
Davidson	NFC Surgery Center	Infertility	1/1	792	0	89.6%	0.0%
Davidson	Planned Parenthood	Abortion	0/2	NA	774	NA	41.5%
Davidson	Premier Radiol. Pain Mgt.	Pain Mngt.	0/2	NA	885	NA	47.4%
Davidson	St. Thomas OP Neurological	Pain Mngt.	1/2	1,547	1,548	175.0%	82.9%
Davidson	Southern Endoscopy Cent.	Endo.	0/3	NA	701	NA	37.6%
Davidson	St. Thomas Med. Group End	Endo.	0/2	NA	1,498	NA	80.2%
Davidson	Tennessee Pain SC	Pain Mngt.	1/3	3,824	2,267	432.6%	121.4%
Davidson	Center for Assist. Repro.	Infertility	0/2	NA	162	NA	8.7%
Davidson	Turner SC	Pain Mngt.	0/1	NA	51	NA	2.7%
Davidson	Urology SC	Urol.	5/3	451	1,035	51.0%	55.4%
Davidson	Wesley Ophth. Plastic SC	Ophth.	2/0	624	NA	70.5%	NA
Rutherford	Mid-State Endo. Center	Endo.	0/1	NA	2,118	NA	113.4%
Rutherford	Spine and Pain Phys. SC	Pain Mngt.	0/1	NA	1,373	NA	73.5%
Wilson	Lebanon Endo. Center	Endo	0/1	NA	2,259	NA	121.0%
Wilson	Wilson County Eye SC	Ophth.	1/1	1,037	270	117.3%	14.5%
Single Specialty Sub-Total			19/45	1,054	1,082	119.2%	58.0%
Davidson	Baptist Ambulatory SC	Multi	6/1	887	2,604	100.4%	139.5%
Davidson	Centennial SC	Multi	6/2	906	825	102.5%	44.2%
Davidson	Northridge SC	Multi	5/1	575	180	65.0%	9.6%
Davidson	Oral Facial SC	Multi	3/0	909	NA	102.8%	NA
Davidson	Premier Orthopaedic SC	Multi	2/0	757	NA	85.6%	NA
Davidson	St. Thomas Surgicare	Multi	6/1	1,045	1,334	118.2%	71.5%
Davidson	St. Thomas SC Midtown	Multi	10/1	710	1,654	80.3%	88.6%
Davidson	Southern Hills SC	Multi	4/0	116	NA	13.1%	NA
Davidson	Summit SC	Multi	5/1	966	479	109.3%	25.7%
Rutherford	Middle TN ASC	Multi	6/1	1,078	870	122.0%	46.6%
Rutherford	Physicians Pavilion SC	Multi	4/1	585	997	66.2%	53.4%
Rutherford	Surgicenter of Murfreesboro	Multi	4/3	923	1,944	104.4%	104.1%
Wilson	Providence SC	Multi	2/1	367	317	41.5%	17.0
Multi-Specialty Sub-Total			63	790	1,225	89.4%	65.6%
Total			82/58	851	1,114	96.3%	59.7%

Source: Tennessee Department of Health, Division of Health Statistics, 2018 Joint Annual Reports

The single specialty ASTCs in the service area overall exceeded the optimal capacity standard for operating rooms but did not meet the optimal standard for procedure rooms. The multi-specialty ASTCs in the service area overall did not meet the optimal capacity standard for operating rooms and procedure rooms.

Four of the eleven single specialty ASTCs that had operating rooms met the optimal utilization standard. Three of the twenty single specialty ASTCs that had procedure rooms met the optimal standard. Seven of the thirteen multi-specialty ASTCs met the optimal utilization standard for operating rooms. Two of the ten multi-specialty ASTC that had procedure rooms met the optimal standard.

It appears that this criterion has not been met.

5. Need and Economic Efficiencies. An application for a Specialty ASTC should present its projections for the total number of cases based on its own calculations for the projected length of time per type of case, and shall provide any local, regional, or national data in support of its methodology. An applicant for a Specialty ASTC should provide its own definitions of the surgeries and/or procedures that will be performed and whether the Surgical Cases will be performed in an Operating Room or a Procedure Room. An applicant for a Specialty ASTC must document the potential impact that the proposed new ASTC would have upon the existing service providers and their referral patterns. A CON proposal to establish a Specialty ASTC or to expand existing services of a Specialty ASTC shall not be approved unless the existing ambulatory surgical services that provide comparable services regarding the types of Cases performed within the applicant's proposed Service Area or within the applicant's facility are demonstrated to be currently utilized at 70% or above. An applicant that is granted a CON for a Specialty ASTC shall have the specialty or limitation placed on the CON.

Since the applicant is a multi-specialty ASTC, this criterion is not applicable.

6. Access to ASTCs. The majority of the population in a Service Area should reside within 60 minutes average driving time to the facility.

The ASTC will be located within 60-minute average travel time of its ZIP Code defined service area.

It appears this criterion has been met.

7. Access to ASTCs. An applicant should provide information regarding the relationship of an existing or proposed ASTC site to public transportation routes if that information is available

The applicant notes that the ASTC location has easy access to I-40 and is just off a state highway that runs roughly parallel to the interstate. A public bus line is also close to the site.

It appears this criterion has been met.

8. Access to ASTCs. An application to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment center must project the origin of potential patients by percentage and county of residence and, if such data are readily available, by zip code, and must note where they are currently being served. Demographics of the Service Area should be included, including the anticipated provision of services to out-of-state patients, as well as the identity of other service providers both in and out of state and the source of out-of-state data. Applicants shall document all other provider alternatives available in the Service Area. All assumptions, including the specific methodology by which utilization is projected, must be clearly stated.

The applicant projects patient origin based on its existing patient origin. The applicant expects that 72.2% of its patients will reside in the ZIP Code defined service area. The applicant projects that 42% of the cases performed will be residents of Wilson County ZIP Codes, 23.3% from Davidson County ZIP Codes, and 6.9% from Rutherford County ZIP Codes. The other 28% of patient cases will be from residents from the surrounding areas.

It appears this criterion has been met.

9. Access and Economic Efficiencies. An application to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment center must project patient utilization for each of the first eight quarters following completion of the project. All assumptions, including the specific methodology by which utilization is projected, must be clearly stated.

The applicant's projected annual utilization by quarter can be found on page 23 of the original application. The applicant explains that the projections are based on United Surgical Partner's extensive experience managing ASTCs.

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It appears this criterion has been met.

10. Patient Safety and Quality of Care; Health Care Workforce.

- a. An applicant should be or agree to become accredited by any accrediting organization approved by the Centers for Medicare and Medicaid Services, such as the Joint Commission, the Accreditation Association of Ambulatory Health Care (AAAHC), the American Association for Accreditation of Ambulatory Surgical Facilities, or other nationally recognized accrediting organization.

The applicant is accredited by The Joint Commission.

It appears this criterion has been met.

- b. An applicant should estimate the number of physicians by specialty that are expected to utilize the facility and the criteria to be used by the facility in extending surgical and anesthesia privileges to medical personnel. An applicant should provide documentation on the availability of appropriate and qualified staff that will provide ancillary support services, whether on- or off-site.

The applicant expects that 19 individual physicians and 5 medical groups will utilize the facilities. The specialties are expected to be orthopedics, pain management, ENT, podiatry, gastroenterology, and ophthalmology.

It appears this criterion has been met.

11. Access to ASTCs. In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principle No. 2 in the State Health Plan, "Every citizen should have reasonable access to health care," the HSDA may decide to give special consideration to an applicant:

- a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;

The applicant indicates that Davidson and Rutherford Counties are designated medically underserved areas.

It appears this criterion has been met.

- b. Who is a "safety net hospital" or a "children's hospital" as defined by the Bureau of TennCare Essential Access Hospital payment program;

Since the applicant is not a hospital, this standard is not applicable to this proposed project.

- c. Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program; or

The applicant intends to continue serving TennCare and Medicare patients. Historically, Medicare and TennCare have accounted for 18.5% and 17.0% of gross revenues, respectively.

It appears this criterion has been met.

- d. Who is proposing to use the ASTC for patients that typically require longer preparation and scanning times? The applicant shall provide in its application information supporting the additional time required per Case and the impact on the need standard.

Not applicable. The applicant is not seeking special consideration for case times.

Staff Summary

The following information is a summary of the original application and all supplemental responses. Any staff comments or notes, if applicable, will be in bold italics as a Note to Agency members.

Application Synopsis

Providence Surgery Center (Providence) seeks approval to relocate an existing multi-specialty ambulatory surgical treatment center (ASTC) from 5002 Crossing Circle, Suite 110 Mt. Juliet (Wilson County), TN to an unaddressed location at SW Corner of Belinda Pkwy. and Providence Trail intersection, Mt. Juliet (Wilson County), TN. The ASTC will also add one procedure room so that there will be two operating rooms and two procedure rooms.

The ASTC will be located in a newly constructed two-story medical building. The ASTC will occupy approximately three-quarters of the first floor. Other building tenants have not yet been selected. During the first two years of operation, the ASTC expects to provide orthopedic, pain management, ENT, podiatry, gastroenterology, ophthalmology, and urology surgeries.

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The proposed project is expected to open for service in August 2020.

Facility Information

- The ASTC will be located in a newly constructed medical office building. The applicant expects to utilize 16,500 square feet of the building's first floor. A floor plan drawing is included in Attachment Section A, 6B (2).
- The proposed ASTC will contain two operating rooms, two procedure rooms, nineteen pre-op/post op stations, and other ancillary areas.
- Browning Properties II, LLC (Browning), owns the property. Browning will convey the rights to an affiliate, Mt. Juliet MOB Partners, GP. Mt. Juliet MOB Partners will lease the space to United Surgical Partners International (USPI), one of the applicant's owners.

Ownership

- The applicant is a joint venture between St. Thomas Health, USPI, area physicians, and a local medical office building developer. Robert Biscan owns 37.77%, St. Thomas/USP Surgery Centers, LLC owns 36.67%, five physicians own 21.3%, and KLN Management, LLC owns 4.26%.
- Ownership breakdown of St. Thomas/USP Surgery Centers, LLC is 50.1% USP Tennessee, Inc. and 49.9% St. Thomas Health. KLN Management, LLC is 100% owned by Keith Nord, MD.

Management

- USP Tennessee, Inc. will manage the ASTC.
- The initial term of the contract is expected to be for seven years.
- The management fee is expected to be 5% of net operating revenue.

Project History

- February 25, 2005—Agency denies CN0411-103DA, Tennessee Sports Medicine Surgery Center for the establishment of an ASTC having one operating room and two procedure rooms and limited to orthopedics and pain management and to the patients of TN Sports Medicine & Orthopaedics, PC.
- November 15, 2006—Through a contested case process the CON is granted by an administrative law judge and issued to the applicant.
- September 22, 2010—Agency approves CN1006-025A, Tennessee Sports Medicine Surgery Center to convert a procedure room to an operating room and remove the condition limiting the ASTC to the patients of TN Sports Medicine & Orthopaedics, PC.
- November 2010 - St. Thomas/USP purchased an interest in the ASTC.

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- March 2011 – The assumed name of Providence Surgery Center takes place.
- December 14, 2016 – Agency approves CN1608-031A, Tenn SM, LLC d/b/a Providence Surgery Center to convert an ASTC limited to orthopedics and pain management to a multi-specialty surgery center.

NEED

Project Need

The applicant states a certificate of need to relocate the ASTC is being requested for the following reasons:

- With the addition of gastroenterology and ophthalmology, there is not enough pre-op/post-op space to accommodate additional volumes.
- The addition of gastroenterology requires the addition of a dedicated procedure room.
- The current decontamination and sterile processing areas are not adequate for gastroenterology scopes and ophthalmology instrument trays.
- The increase of ENT cases results in more post-op space needed to separate pediatric and adult patients.
- With the addition of total joint cases, the need for additional private post-op space is needed.
- The current HVAC system is at the end of its useful life.

Service Area Demographics

Providence's service area includes ZIP Codes in Davidson, Rutherford, and Wilson Counties.

Highlights of the counties in the applicant's proposed service area are provided as follows:

- The total population is estimated at 1,179,399 residents in CY 2019 increasing by approximately 5.8% to 1,248,258 residents in CY 2023.
- The overall Tennessee statewide population is projected to grow by 3.2% from 2019 to 2023.
- The target population (Age 65+) is estimated at 146,847 residents in CY 2019 increasing by approximately 15.3% to 169,265 residents in CY 2023.
- The overall Tennessee statewide Age 65+ population is projected to grow by 11.6% from 2019 to 2023.
- The number of residents enrolled in TennCare is approximately 16.9% of the total 3-county population compared to 20.4% statewide.

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**Service Area ASTC Surgical Utilization Trends
2016-2018**

County	ASTC	2016 Cases	2017 Cases	2018 Cases	% Change 2016-2018	# Change 2016-2018
Davidson	American Endoscopy	505	538	525	+4.0%	+20
Davidson	Associated Endoscopy	5,593	5,541	5,087	-9.0%	-506
Davidson	Delozier SC	449	534	393	-12.5%	-56
Davidson	Digestive Disease Endo.	6,059	6,826	6,580	+7.7%	+521
Davidson	Eye SC of Middle TN	627	2,238	1,270	+102.6%	+643
Davidson	Eye SC of Nashville	4,917	5,002	5,568	+13.2%	+651
Davidson	Gurley SC	180	162	174	-3.3%	-6
Davidson	LVC Outpatient SC	2,550	2,992	1,569	-38.5%	-981
Davidson	Mid-State Endoscopy	2,755	2,784	2,764	+0.3%	+9
Davidson	Nashville Endo SC	3,633	3,360	3,438	-5.4%	-195
Davidson	Nashville Gastro. Endo. Cnt.	2,853	2,783	2,689	-5.7%	-164
Davidson	Nashville Vision Correction	173	145	151	-12.7%	-22
Davidson	NFC Surgery Center	942	982	792	-15.9%	-150
Davidson	Planned Parenthood	888	1,086	1,548	+74.3%	+660
Davidson	Premier Radiol. Pain Mgt.	2,002	2,023	1,770	-11.6%	-232
Davidson	St. Thomas OP Neurological	4,589	4,702	4,642	+1.2%	+53
Davidson	Southern Endoscopy Cent.	3,154	2,182	2,104	-33.3%	-1050
Davidson	St. Thomas Med. Group End	3,363	3,788	2,996	-10.9%	-367
Davidson	Tennessee Pain SC	10,372	10,397	10,625	+2.4%	+253
Davidson	Center for Assist. Repro.	375	379	324	-13.6%	-51
Davidson	Turner SC	NR	13	51	NA	NA
Davidson	Urology SC	5,971	5,910	5,359	-10.2%	-612
Davidson	Wesley Ophth. Plastic SC	1,257	1,284	1,247	-0.8%	-10
Rutherford	Mid-State Endo. Center	2,395	2,623	2,118	-11.6%	-277
Rutherford	Spine and Pain Phys. SC	1,464	1,696	1,373	-6.2%	-91
Rutherford	Williams SC	44	56	NR	NA	NA
Wilson	Lebanon Endo. Center	2,163	2,015	2,259	+4.4%	+96
Wilson	Wilson County Eye SC	1,530	1,449	1,307	-14.6%	-223
	*Single Specialty Sub-Total	70,803	73,490	68,723	-2.9%	-2,080
Davidson	Baptist Ambulatory SC	7,610	7,803	7,928	+4.2%	+318
Davidson	Centennial SC	7,531	7,583	7,087	-5.9%	-444
Davidson	Northridge SC	2,484	2,820	3,054	+22.9%	+570
Davidson	Oral Facial SC	2,664	2,756	2,726	+2.3%	+62
Davidson	Premier Orthopaedic SC	2,029	1,659	1,513	-25.4%	-516
Davidson	St. Thomas Surgicare	7,290	7,416	7,604	+4.3%	+314
Davidson	St. Thomas SC Midtown	8,769	8,069	8,753	-0.2%	-16
Davidson	Southern Hills SC	NR	77	464	NA	NA
Davidson	Summit SC	5,411	5,371	5,310	-1.9%	-101
Rutherford	Middle TN ASC	7,148	7,107	7,339	+2.7%	+191
Rutherford	Physicians Pavilion SC	2,877	3,265	3,337	+16.0%	+460
Rutherford	Surgicenter of Murfreesboro	10,273	9,776	9,524	-7.3%	-749
Wilson	Providence SC	707	1,139	1,050	+48.5%	+343
	Multi-Specialty Sub-Total	64,793	64,841	65,689	+1.4%	+896
	Total	135,596	138,331	134,412	-0.9%	-1,184

Source: CN1903-008

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The above utilization table reflects the following:

- Overall, the ASTCs in the proposed service area experienced a 0.9% decrease between 2016 and 2018.
- Multi-specialty ASTCs overall experienced a 1.4% increase in surgical cases between 2016 and 2018. The multi-specialty specialty ASTC that experienced the largest percentage increase during this time was Providence Surgery Center (48.5%) The multi-specialty ASTC with the largest volume increase was Northridge Surgery Center with +570 cases. The multi-specialty ASTC experiencing the largest percentage decline was Premier Orthopaedics Surgery Center (-25.4%). The multi-specialty ASTC experiencing the largest volume decline was Centennial Surgery Center with -444 cases.
- Single specialty ASTCs overall experienced a 2.9% decrease in surgical cases between 2016 and 2018. The single specialty ASTC that experienced the largest percentage increase during this time was Eye Surgery Center of Middle Tennessee (102.6%). The single specialty ASTC with the largest volume increase was Planned Parenthood of Nashville with +660 cases. The single specialty ASTC experiencing the largest percentage decline was Southern Endoscopy Center (-33.3%). The single specialty ASTC experiencing the largest volume decline was Southern Endoscopy Center with -1,050 cases.

**Service Area Hospital Outpatient Surgical Utilization
2016-2017**

County	Hospital	2016 Cases	2017 Cases	% Change 2016-2017
Davidson	Metro Nashville General	2,641	2,509	-5.0%
Davidson	St. Thomas-Spinal Surgery	2,505	2,238	-10.7%
Davidson	St. Thomas Midtown	8,220	8,772	+6.7%
Davidson	St. Thomas West	6,302	5,825	-7.6%
Davidson	TriStar Centennial	25,868	25,233	-2.5%
Davidson	TriStar Skyline	5,098	4,121	-19.2%
Davidson	TriStar Southern Hills	5,056	5,135	+1.6%
Davidson	TriStar Summit	4,199	4,164	-0.8%
Davidson	Vanderbilt	43,117	53,217	+23.4%
Rutherford	St. Thomas Rutherford	6,760	6,380	-5.6%
Rutherford	TriStar Stonecrest	5,601	6,430	+14.8%
Wilson	Tennova-Lebanon f/k/a UMC	3,595	4,459	+24.0%
	TOTAL	118,962	128,483	+8.0%

Source: CN1903-008

The above utilization table reflects the following:

- Overall, the service area experienced an 8.0% increase in hospital outpatient surgical cases from 118,962 cases in 2016 to 124,483 in 2017.

- The hospital experiencing the largest percentage increase in outpatient surgery cases was Vanderbilt University Medical Center, 43,117 cases in 2016 to 53,217 cases in 2017, a 23.4% increase.
- The hospital experiencing the largest percentage decrease in outpatient surgery cases was TriStar Skyline Medical Center, 5,098 cases in 2016 to 4,121 cases in 2017, a 19.2% decrease.

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Service Area Operating and Procedure Room ASTC Patient Utilization-2018

	ASTC	# ORs	Cases	Cases/OR	*% of Optimal Capacity	# PRs	Cases	Cases/PR	% of Optimal Capacity
Davidson	American Endoscopy	1	525	525	59.4%	0	0	0	0
Davidson	Associated Endoscopy	0	0	0	0	3	5,087	1,696	90.8%
Davidson	Delozier SC	1	393	393	44.5%	0	0	0	0
Davidson	Digestive Disease Endo.	0	0	0	0	4	6,580	1,645	88.1%
Davidson	Eye SC of Middle TN	2	1,270	635	71.8%	0	0	0	0
Davidson	Eye SC of Nashville	2	5,568	2,784	314.9%	0	0	0	0
Davidson	Gurley SC	0	0	0	0	3	174	58	3.1%
Davidson	LVC Outpatient SC	2	1,569	785	88.7%	1	0	0	0
Davidson	Mid-State Endoscopy	0	0	0	0	2	2,764	1,382	74.0%
Davidson	Nashville Endo SC	0	0	0	0	3	3,438	1,146	61.4%
Davidson	Nashville Gastro. Endo. Cnt.	0	0	0	0	3	2,689	896	48.0%
Davidson	Nashville Vision Correction	0	0	0	0	1	151	151	8.1%
Davidson	NFC Surgery Center	1	792	792	89.6%	1	0	0	0
Davidson	Planned Parenthood	0	0	0	0	2	1,548	774	41.5%
Davidson	Premier Radiol. Pain Mgt.	0	0	0	0	2	1,770	885	47.4%
Davidson	St. Thomas OP Neurological	1	1,547	1,547	175.0%	2	3,095	1,548	82.9%
Davidson	Southern Endoscopy Cent.	0	0	0	0	3	2,104	701	37.6%
Davidson	St. Thomas Med. Group End	0	0	0	0	2	2,996	1,498	80.2%
Davidson	Tennessee Pain SC	1	3,824	3,824	432.6%	3	6,801	2,267	121.4%
Davidson	Center for Assist. Repro.	0	0	0	0	2	324	162	8.7%
Davidson	Turner SC	0	0	0	0	1	51	51	2.7%
Davidson	Urology SC	5	2,255	451	51.0%	3	3,104	1,035	55.4%
Davidson	Wesley Ophth. Plastic SC	2	1,247	624	70.5%	0	0	0	0
Rutherford	Mid-State Endo. Center	0	0	0	0	1	2,118	2,118	113.4%
Rutherford	Spine and Pain Phys. SC	0	0	0	0	1	1,373	1,373	73.5%
Wilson	Lebanon Endo. Center	0	0	0	0	1	2,259	2,259	121.0%
Wilson	Wilson County Eye SC	1	1,037	1,037	117.3%	1	270	270	14.5%
	**Single Specialty Sub-Total	19	20,027	1,054	119.2%	45	48,696	1,082	58.0%
Davidson	Baptist Ambulatory SC	6	5,324	887	100.4%	1	2,604	2,604	139.5%
Davidson	Centennial SC	6	5,437	906	102.5%	2	1,650	825	44.2%
Davidson	Northridge SC	5	2,874	575	65.0%	1	180	180	9.6%
Davidson	Oral Facial SC	3	2,726	909	102.8%	0	0	0	0
Davidson	Premier Orthopaedic SC	2	1,513	757	85.6%	0	0	0	0
Davidson	St. Thomas Surgicare	6	6,270	1,045	118.2%	1	1,334	1,334	71.5%
Davidson	St. Thomas SC Midtown	10	7,099	710	80.3%	1	1,654	1,654	88.6%
Davidson	Southern Hills SC	4	464	116	13.1%	0	0	0	0
Davidson	Summit SC	5	4,831	966	109.3%	1	479	479	25.7%
Rutherford	Middle TN ASC	6	6,469	1,078	122.0%	1	870	870	46.6%
Rutherford	Physicians Pavilion SC	4	2,340	585	66.2%	1	997	997	53.4%
Rutherford	Surgicenter of Murfreesboro	4	3,691	923	104.4%	3	5,833	1,944	104.1%
Wilson	Providence SC	2	733	367	41.5%	1	317	317	17.0%
	Multi-Specialty Sub-Total	63	49,771	790	89.4%	13	15,918	1,224	65.6%
	TOTAL	82	69,798	851	96.3%	58	64,614	1,114	59.7%

Source: CN1903-008

*Optimal capacity is 70% of full capacity

The above utilization table reflects the following:

- The thirteen multi-specialty ASTCs contained 63 operating rooms and 13 procedure rooms. Overall, the multi-specialty ORs operated at 89.4% of

Tenn SM, LLC d/b/a Providence Surgery Center

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optimal capacity and the procedure rooms operated at 65.6% of optimal capacity.

- Individually seven of the multi-specialty ASTCs met the optimal utilization standard for ORs and two of the multi-specialty ASTCs met the optimal utilization standard for PRs.
- The twenty-six single specialty ASTCs contained 19 operating rooms and 45 procedure rooms. Overall, the single specialty ORs operated at 119.2% of optimal capacity and the procedure rooms operated at 58.0% of optimal capacity.
- Individually four of the single specialty ASTCs met the optimal utilization standard for ORs and three of the single specialty ASTCs met the optimal utilization standard for PRs.

Applicant's Historical and Projected Utilization

The following tables summarize historical and projected utilization for Providence.

Providence Historical and Projected Surgical Cases by Specialty

Specialty/Year	2016	2017	2018	2020	2021
Orthopedics	430	599	528	819	1172
Pain Management	216	483	317	618	756
Neurology	61	19	0	0	0
General Surgery	0	18	0	0	0
Otolaryngology	0	16	172	406	564
Cardiac	0	4	3	0	0
Gastroenterology	0	0	0	315	732
Ophthalmology	0	0	0	252	490
Urology	0	0	0	63	122
TOATL	707	1139	1050	2,504	3,869

Source: CN1903-008

The table above reveals the following information:

- Surgical cases at Providence are expected to increase approximately 268% from 1,050 in 2018 to 3,869 in 2021.
- Orthopedic, pain management, and otolaryngology are expected to experience increased volumes.
- There are no projected cases in neurology, general surgery, and cardiac.
- New specialties expected to perform projected cases include gastroenterology, ophthalmology, and urology.

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The applicant's projected utilization is displayed in the following table.

	Year 1 (2020)	Year 2 (2021)
OR Cases	1,571	2,381
#ORs	2	2
Cases/OR	786	1,191
OR Util. %	88.9%	134.7%
PR Cases	933	1,488
#PRs	2	2
Cases/PR	467	744
PR Util. %	25.0%	39.9%

Source: CN1807-028

- The applicant bases projections on an analysis of trends by specialty and physician that tracked practice growth trends then performed interviews with individual practices and physician groups in order to ascertain surgeon practice patterns going forward.
- The applicant expects to exceed optimal utilizations in the ORs in the second year of operation and does not expect to meet the optimal utilization standard for PRs.

ECONOMIC FEASIBILITY

Project Cost

The major costs associated with the \$8,082,908 project cost are as follows:

- Lease - ten-year initial term of building lease of \$4,357,808 or approximately 53.9% of the total project cost.
- Equipment - The next largest single component is fixed and moveable equipment at \$3,110,000 or approximately 38.5% of total cost.
- The Project Cost Chart on page 37R of the application further breaks down the costs.

Financing

The applicant states that funding for the project will come from owners' equity and a commercial loan.

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- Saint Thomas USP Surgery Centers, LLC intends to contribute \$2,500,000 equity contribution from cash on hand. Operating revenues will cover the facility and leased equipment costs of \$6,447,170.85.
- There will be a \$6.5 million loan from Pinnacle Financial Partners. A letter from a senior vice president of Pinnacle Financial Partners dated March 13, 2019 indicates that the interest rate on the loan will be the London Interbank Offer Rate (LIBOR) plus 2.5% and will be for a seven-year term.
- Review of Tenet Healthcare Corporation's (owner of USPI) Form 10-K revealed cash of \$411,000,000, current assets of \$4,636,000,000 and current liabilities of \$3,857,000,000 for the fiscal period ending December 31, 2018 for a current ratio of 1.20 to 1.0.

Note to Agency Members: Current ratio is a measure of liquidity and is the ratio of current assets to current liabilities, which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.

Net Operating Margin Ratio

- Net operating margin ratio for Year 1 and Year 2 is approximately 12.2% and 28.6%, respectively.

Note to Agency Members: The net operating margin demonstrates how much revenue is left over after all the variable or operating costs have been paid.

Capitalization Ratio

- Tenet's capitalization ratio as of December 31, 2018 is 95.5%.

Note to Agency Members: The capitalization ratio measures the proportion of debt financing in a business's permanent financing mix.

Historical Data Chart

The applicant provided a Historical Data Chart for Providence Surgery Center.

- Providence Surgery Center reported Free Cash Flow (Net Balance + Depreciation) of \$(216,824) in 2016, \$(256,418) in 2017, and \$242,130 in 2018.

Projected Data Chart

The applicant projects \$28,775,968 in total gross revenue on 2,504 surgical cases during the first year of operation and \$45,793,484 on 3,869 surgical cases in Year 2 (approximately \$11,836 per case). The Projected Data Chart reflects the following:

- Net Balance (Net Income – (Annual Principal Debt Repayment + Annual Capital Expenditure)) for the applicant will equal \$(2,112,691) in Year 1 increasing to \$(495,571) in Year 2.
- Net operating revenue after bad debt, charity care, and contractual adjustments is expected to reach \$7,857,353 or approximately 17.2% of total gross revenue in Year 2.
- The applicant does not project any Charity Care.

Note to Agency members: The applicant provided clarification that charity care is included with bad debt and points out that the applicant follows the charity care policies of Saint Thomas Health.

Charges

In Year 1 of the proposed project, the average charge per surgical case is as follows:

- Average Gross Charge
\$11,836
- Average Deduction from Operating Revenue
\$9,805
- Average Net Charge
\$2,031

Payor Mix

The applicant's projected payor mix in Year 1 is displayed in the table below:

Payor Source	Projected Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	\$5,333,948	18.5%
TennCare/Medicaid	\$4,879,552	17.0%
Commercial/Other Managed Care	\$13,888,478	48.2%
Self Pay	\$75,261	0.3%
Other: <u>Government/Work. Comp.</u>	\$4,598,729	16.0%
TOTAL	\$28,775,968	100%

- Medicare and TennCare/Medicaid charges will equal 35.5% of total revenue.
- Commercial and other Managed Care will equal 48.2% of total revenue.
- The applicant expects to contract with all four TennCare Managed Care Organizations that serve the region.

PROVIDE HEALTHCARE THAT MEETS APPROPRIATE QUALITY STANDARDS

Licensure

- Providence is licensed by the Tennessee Department of Health.

Certification

- The applicant is Medicare and Medicaid certified.

Accreditation

- The applicant is accredited by The Joint Commission.

Other Quality Standards

- In the original application the applicant commits to obtaining and/or maintaining the following:
 - Staffing levels comparable to the staffing chart presented in the CON application
 - Licenses in good standing
 - TennCare/Medicare certifications
 - Self-assessment and external peer assessment processes
 - Maintaining accreditation
- In the first supplemental response, the applicant indicates that it has an established physician base and has existing relationships for anesthesia, pharmacy, pathology, blood/lab, bio-medical, and radiology.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE

Agreements

- The applicant provided documentation of a transfer agreement with Summit Medical Center.
- The applicant lists multiple managed care companies that contracts with Providence, which can be found on pages 47-48 of the original application.

Impact on Existing Providers

- The applicant notes that the CON application is for the relocation of an existing ASTC that will not have a negative effect on existing providers.

Staffing

The applicant's proposed staffing in Year Two includes the following:

Position Type	Year One FTEs
Registered Nurses	9.0
Techs.	5.0
Manager	1.0
Total Direct Patient Care	15.0
Total Non-Patient Care	4.0
Contractual Staff	0.0
TOTAL	19.0

Source: CN1807-028

Corporate documentation, management services agreement, and building lease are on file at the Agency office and will be available at the Agency meeting.

Should the Agency vote to approve this project, the CON would expire in two years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no Letters of Intent, denied or pending applications, or outstanding certificates of need for this applicant.

Saint Thomas Healthcare has an interest in this project and the following:

Denied Applications

Saint Thomas West Hospital CN1811-046D, was denied at the February 27, 2019 Agency meeting to initiate adult liver transplant services. **The estimated project cost was \$940,000.** *Reason for Denial: The applicant has not established need. There appears to be adequate capacity for transplant services. There has not been anyone in particular who needed a transplant that could not get a transplant at Vanderbilt. No one has come forward and said they could not get a transplant because they were denied being put on a wait list at Vanderbilt. It does not contribute to the orderly development of healthcare with the changes in how livers are going to be distributed. The applicant will not be able to reach the volumes it needs to reach in order to achieve the outcomes that were talked about. Volume and outcomes go hand in hand, and it will have a negative impact on the existing transplant program.*

Saint Thomas Midtown Hospital (Emergency Department at Brentwood), CN1412-049D, was denied at the March 25, 2015 Agency meeting for the establishment of a satellite emergency department facility with 8 treatment rooms

Tenn SM, LLC d/b/a Providence Surgery Center

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at 791 Old Hickory Boulevard, Brentwood (Davidson County), TN. The facility was planned to be physically connected to Premier Radiology. **The estimated project cost was \$6,757,172.00.** *Reason for Denial: The application did not meet the statutory criteria. The decision was reached following consideration of the written report of the Department of Health/Office of Health Policy, the State Health Plan, the general criteria established by Health Services and Development Agency rules, and all evidence presented in the application.*

Middle Tennessee Imaging, LLC d/b/a Premier Radiology, CN1605-016D, was denied at the October 26, 2016 Agency meeting for the establishment of an outpatient diagnostic center (ODC), acquisition of fixed magnetic resonance imaging (MRI) equipment, and the initiation of MRI services at 980 Professional Park Drive, Suite E in Clarksville (Montgomery County). **The estimated cost was \$941,648.00.** *Reason for Denial: The application did not meet the statutory criteria. The imaging service is located in Clarksville (Montgomery County); there was not an opportunity to examine the need of the other 19 counties in the service area.*

Pending Applications

St. Thomas Rehabilitation Hospital, CN1905-019, has a pending application that will be heard at the August 28, 2019 Agency meeting for the establishment of a 40 bed inpatient rehabilitation hospital on the campus of St. Thomas Midtown Hospital. The project will be a joint venture between St. Thomas Health and Kindred Healthcare. If approved, St. Thomas Midtown Hospital will delicense its 24-bed acute inpatient rehabilitation unit and 16 additional medical/surgical beds. **The estimated project cost is \$48,039,573.**

Outstanding Certificates of Need

Cumberland Behavioral Health, CN1806-022A, has an outstanding Certificate of Need that will expire December 1, 2021. The project was approved at the October 24, 2018 Agency meeting for the establishment of a 76 bed mental health hospital at 300 Great Circle Road, Nashville (Davidson County), TN. The hospital will contain 40 adult inpatient psychiatric beds and 36 geriatric inpatient psychiatric beds. Saint Thomas West Hospital will close its 24 bed psychiatric unit and surrender those beds. **The estimated project cost is \$32,216,800.** *Project Status Update: A May 28, 2019 email from a representative of the applicant indicated that plans have been finalized, and should be submitted to the State within one month. General Contractor has been selected. Expect Groundbreaking to be in July. Construction anticipated to take around 13 months.*

Northridge Surgery Center, CN1806-023A, has an outstanding Certificate of need that will expire December 1, 2020. The project was approved at the October 24,

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2018 Agency meeting for the relocation of its existing multi-specialty ambulatory surgical treatment center (ASTC) with 5 operating rooms and 1 procedure room from 647 Myatt Drive in Madison (Davidson County), Tennessee, 37115 to leased space in a new facility to be constructed on a 1.87-acre site that is part of a 17-acre parcel located at 601 Saundersville Road, Hendersonville (Sumner County), TN, 37075, a distance of approximately 9.5 miles. When complete, the new replacement ASTC will include three operating rooms and one procedure room, a reduction of two operating rooms from the applicant's existing facility. **The estimated project cost is \$17,141,813.** *Project Status Update: A May 28, 2019 email from a representative of the applicant indicated that the project is progressing. The applicant plans to close on the real estate purchase on July 9, 2019 following a lengthy negotiation with the current landowner. Building design is complete and ready to move forward with the drafting of detailed construction documents required for permits and commencement of construction. Current timeline is to break ground on the project in August 2019.*

MTI dba Premier Radiology, CN1805-021A, has an outstanding Certificate of Need that will expire on October 1, 2020. The project was approved at the August 22, 2018 Agency meeting for the establishment of an Outpatient Diagnostic Center, initiation of MRI services, and acquisition of a fixed 1.5T MRI unit in a new building under construction at 3754 Murfreesboro Pike, Antioch (Davidson County), TN. **The estimated project cost is \$3,558,788.** *Project Status Update: A representative of the applicant indicated in a 5/31/19 email that the suite build-out for the project is currently in process. The applicant is targeting a mid-August 2019 opening.*

Middle Tennessee Imaging, LLC d/b/a Premier Radiology, CN1803-014A, has an outstanding Certificate of Need that will expire August 1, 2020. The project was approved at the June 27, 2018 Agency meeting for the establishment of an outpatient diagnostic center (ODC), the initiation of MRI services, and the acquisition of a fixed 1.5 Tesla MRI unit and fixed 16 slice CT unit at a new building under construction at 110 St. Blaise Road, Gallatin (Sumner County), TN, 37066. In addition to MRI and CT, the ODC will provide x-ray, mammography, and ultrasound services, which will support primary care services at the Saint Thomas Medical Partners-Gallatin Care Center. **The estimated project cost is \$6,078,275.** *Project Status Update: Per an email from a project representative dated February 7, 2019, the project construction is scheduled to be completed by April 30, 2019 with an expected opening around May 15, 2019. This project's approval is currently being appealed by Sumner Regional Medical Center.*

Saint Thomas Surgery Center New Salem, CN1707-022A, has an outstanding Certificate of Need that will expire December 1, 2019. The project was approved at the October 25, 2017 Agency meeting for the establishment of a multi-specialty ambulatory surgical treatment center (ASTC) with two operating rooms and one procedure room located at 2779 New Salem Road, Murfreesboro (Rutherford

Tenn SM, LLC d/b/a Providence Surgery Center

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County), TN 37128. The project will involve the construction of 13,000 square feet of new ASTC space that will be leased by the applicant. **The estimated project cost is \$16,228,645.** *Project Status Update: Per an Annual Progress Report dated January 10, 2019, the building project that the ASTC will occupy has not initiated construction. The developer received approval to move forward with design and engineering for the building. Construction should be initiated within 180 days.*

Saint Thomas Rutherford Hospital, CN1707-021A, has an outstanding Certificate of Need that will expire on December 1, 2020. The project was approved at the October 25, 2017 Agency meeting for the addition of 72 beds which will increase the licensed bed capacity from 286 beds to 358 beds. The hospital is located at 1700 Medical Center Parkway, Murfreesboro (Rutherford County), TN 37129. **The estimated project cost is \$47,478,943.** *Project Status Update: Per an Annual Progress Report, dated January 10, 2019, construction began in August 2018.*

Tenet Healthcare, which ultimately owns USPI, has an interest in this project and the following:

Denied Applications

Saint Francis Hospital-Bartlett, CN1704-004D, was denied at the April 26, 2017 Agency meeting for the establishment of a satellite emergency department (ED) containing 12 treatment rooms in a 1-story 15,240 square foot building to be constructed on a 3.5-acre site near intersection of the Southeast Corner of I-40 and Airline Road, Arlington (Shelby County), a distance of approximately 9.0 miles northeast of SFH-Bartlett's 33-room ED on the main hospital campus in Memphis. The estimated project cost was **\$12,857,628.** *Reason for Denial: The application did not meet statutory criteria.*

Outstanding Certificates of Need

Bartlett ASC, LLC, CN1806-026A, has an outstanding Certificate of Need that will expire on October 1, 2020. The project was approved at the August 22, 2018 Agency meeting to relocate and replace a previously approved but unimplemented CON to establish a multi-specialty ASTC. The proposed ASTC will not change its surgical room complement remaining at 2 operating rooms, 1 unequipped operating room for future growth, and 1 procedure room. The estimated project cost was **\$10,035,666.19.** *Project Status: A 5/31/19 email from a representative of the applicant indicated that preliminary drawings are complete. Anticipating beginning of construction in late Fall 2019.*

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no other Letters of Intent for similar service area entities proposing this type of service.

Denied Applications

Lebanon Surgery Center, LLC, CN1702-007D, was denied at the April 26, 2017 Agency meeting for the establishment of a multi-specialty ambulatory surgical treatment center (ASTC) to be located in the outpatient surgical department of Tennova Healthcare-Lebanon, a 245-bed acute care hospital in Wilson County. Tennova Healthcare-Lebanon was f/k/a University Medical Center. The ASTC was to contain four operating rooms and one procedure room. The estimated project cost was **\$2,494,000**. *Reason for Denial: The project did not meet the statutory criteria.*

Pending Applications

Medical Parkway Surgery Center, CN1904-016, has a pending application that will be heard at the August 28, 2019 Agency meeting for the establishment of a single specialty ambulatory surgical treatment center (ASTC) with one operating room and one procedure room limited to ophthalmological procedures at 1725 Medical Center Parkway, Suite 120, Gateway Medical Plaza One, Murfreesboro, (Rutherford County), TN. **The estimated project cost is \$2,268,891.**

Outstanding Certificates of Need

Plastic Surgery Center of Brentwood, CN1711-035A, has an outstanding Certificate of Need that will expire on January 1, 2020. The project was approved at the February 28, 2018 Agency meeting for the establishment of a single specialty ambulatory surgical treatment center (ASTC) with two operating rooms and one procedure room to be located at 620 Church Street East, Brentwood (Davidson County), TN 37027. The ASTC will be limited to plastic surgery cases and procedures performed by medical physicians who are owners or employees of the Plastic Surgery Clinic, PLLC d/b/a Cool Springs Plastic Surgery. **The estimated project cost is \$4,524,526.** *Project Status Update: The ASTC was licensed on January 18, 2019. HSDA staff is awaiting its Final Project Report.*

StoneCrest Surgery Center, CN1707-023A, has an outstanding Certificate of Need that will expire on June 1, 2020. The project was approved at the October 25, 2017 Agency meeting to establish a multi-specialty ambulatory surgery treatment center (ASTC) with two operating rooms and one procedure room located at an unaddressed site within the campus of StoneCrest Medical Center at 200 StoneCrest

Tenn SM, LLC d/b/a Providence Surgery Center

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Boulevard, Smyrna Boulevard, (Rutherford County), TN 37167. The estimated project cost was **\$10,556,553**. *Project Status Update: The applicant reported in February 2019 that the site has been selected, and preliminary drawings are being developed. MOB space will be included at the site, and discussions are occurring with the MOB developers to coordinate the projects.*

Southern Hills Surgery Center, CN1411-047A, has an outstanding Certificate of Need that will expire July 1, 2021. The project was approved at the May 27, 2015 Agency meeting for the relocation of Southern Hills Surgery Center from 360 Wallace Road, Nashville (Davidson County), TN 37211, to leased space in a building to be constructed at an unaddressed site in the northeast corner of the intersection of Old Hickory Boulevard and American Way, Brentwood (Davidson County), TN 37250. The estimated project cost was **\$17,357,832.00**. *Project Status Update: The applicant received a 24-month extension at the April 2019 Agency meeting.*

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, HEALTH CARE THAT MEETS APPROPRIATE QUALITY STANDARDS, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

MAF
6/10/19

LETTER OF INTENT



State of Tennessee

Health Services and Development Agency

Andrew Jackson Building, 9th Floor

502 Deaderick Street

Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the Tennessean which is a newspaper
(Name of Newspaper)
of general circulation in Davidson/Wilson, Tennessee, on or before 03/08, 2019,
(County) (Month / day) (Year)
for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Tenn SM, LLC d/b/a Providence Surgery Center
(Name of Applicant)

multi-specialty ambulatory surgery treatment center
(Facility Type-Existing)

owned by: Tenn SM, LLC with an ownership type of limited liability company
and to be managed by: USP Tennessee, Inc. intends to file an application for a Certificate of Need for
[PROJECT DESCRIPTION BEGINS HERE]: the relocation of the existing Providence Surgery Center, a multispecialty ambulatory surgery treatment center, to a to be constructed building approximately a mile away to the southwest corner of the Belinda Pkwy and Providence Trail intersection in Mt. Juliet, TN 37122 (Wilson County). The new location will add an additional procedure room for a total of two operating rooms and two procedure rooms. The project involves the build out of 16,500 square feet of space. Total project costs are estimated to be \$8,082,908, including future facility lease payments.

The anticipated date of filing the application is: March 13, 2019

The contact person for this project is Corey Ridgway Market President
(Contact Name) (Title)

who may be reached at: United Surgical Partners International 20 Burton Hills Boulevard, Suite 210
(Company Name) (Address)

Nashville TN 37215 615 / 376-7300
(City) (State) (Zip Code) (Area Code / Phone Number)
[Signature] 3/8/19 CRidgway@uspi.com
(Signature) (Date) (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Application (Copy)

Tenn SM, LLC dba
Providence Surgery Center
Mt Juliet (Wilson Co.)

CN1903-008



State of Tennessee
Health Services and Development Agency

Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

Supplemental #1

March 25, 2019

4:01 P.M.

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CERTIFICATE OF NEED APPLICATION

SECTION A: APPLICANT PROFILE

1. Name of Facility, Agency, or Institution

Providence Surgery Center
Name

Unaddressed location at SW Corner of Belinda Pkwy and Providence Trl
Street or Route

Wilson
County

Mt. Juliet
City

Tennessee
State

37122
Zip Code

Website address: www.providenceasc.com

*Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.*

2. Contact Person Available for Responses to Questions

Corey Ridgway
Name

Market President
Title

United Surgical Partners International, Inc.
Company Name

CRidgway@uspi.com
Email address

20 Burton Hills Boulevard, Suite 210
Street or Route

Nashville
City

TN
State

37215
Zip Code

Parent of Management Company
Association with Owner

(615) 376-7300
Phone Number

(615) 825-0024
Fax Number

NOTE: **Section A** is intended to give the applicant an opportunity to describe the project. **Section B** addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, Contribution to the Orderly Development of Health Care, and Quality Measures.

Please answer all questions on 8½" X 11" white paper, clearly typed and spaced, single or double-sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed signed and notarized affidavit.

3. SECTION A: EXECUTIVE SUMMARY

A. Overview

Please provide an overview not to exceed three pages in total explaining each numbered point.

- 1) Description – Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant;

RESPONSE: This project is a relocation of Providence Surgery Center (“Providence”), an existing multispecialty Ambulatory Surgical Treatment Center (“ASTC”), in ZIP code 37122 in Mt. Juliet, Wilson County to a location approximately one mile away in the same ZIP code. The new location will add a procedure room for a total of two operating rooms (“ORs”) and two procedure rooms (“PRs”).

Providence is a joint venture of Ascension Saint Thomas Health (“Saint Thomas”), United Surgical Partners International (“USPI”), a medical office building developer and area physicians.

There are no other outstanding and unimplemented certificates of need held by the applicant.

In December 2016, Providence received approval to expand from an orthopaedic and pain surgery center to a multispecialty surgery center. (See CN1608-031.) The current facility now lacks the physical capabilities to accommodate recent case growth let alone projected case growth. As explained below, there are a number of clinical, operational and facility justifications for the ASTC relocation and the addition of a second procedure room.

- With the addition of two new specialties at Providence (gastroenterology and ophthalmology), the current location does not have the pre-op/post-op space to accommodate additional case volumes.
- The addition of gastroenterology also necessitates a dedicated procedure room to avoid cross contamination of clean procedures (pain) with gastroenterology. The current location does not provide this capability.
- The current decontamination and sterile processing area cannot accommodate the new standards required for processing gastroenterology scopes and ophthalmology instrument trays.
- Otolaryngology (“ENT”) cases have grown significantly. The current location does not allow separation of children from the adult population. The standard of care now is to keep adolescent tonsillectomy patients two hours post op, which means these patients can occupy as many as three to four of the seven patient bays. This lack of post-op space inhibits Providence from running both ORs and the existing procedure room simultaneously.

- The addition of total joint³² cases to the orthopedic procedure list requires additional private patient rooms for post op recovery time. Again, there is no space available in the current location to add these rooms.
- With the recent additional cases and projected new cases, the current facility also lacks adequate storage space for supplies and instruments.
- The current HVAC system is at life's end. The control system is no longer supported. Monthly repairs and maintenance to keep the system functioning at needed standards has become financially burdensome. It is a constant battle to maintain appropriate temperature and humidity settings required for the ASTC.
- Providence is at the end of its lease term at the current facility. After a one-year extension, the lease will terminate in October 2020. This provides an excellent opportunity to right-size the facility in a new location.
- Saint Thomas Medical Partners recently opened an outpatient campus approximately one mile away in Mt. Juliet. This campus currently has ten physicians and three mid-level providers along with an urgent care center, laboratory, basic x-ray, physical therapy and other support services.
- Providence has secured a new site adjacent to this Saint Thomas campus. The Tennessee Orthopaedic Alliance ("TOA") will co-locate in the new multitenant building with Providence, increasing the demand for ASTC services at the new location.
- Finally, Carafem announced on February 28, 2019 that it was opening a new office at Providence's current location. This provider of abortion and birth control services is incompatible with the beliefs and mission of Ascension Saint Thomas Health, further justifying the relocation. (See **Tab 12** in attachments.)

2) Ownership structure;

RESPONSE: Tenn SM, LLC d/b/a Providence Surgery Center is a joint venture between Saint Thomas Health, United Surgical Partners International, area physicians and a local medical office building developer. Saint Thomas Health and United Surgical Partners International jointly own and operate 15 endoscopy and surgery centers in the greater Nashville area, including six in Davidson County, three in Rutherford County, two in Wilson County and one each in Coffee, Montgomery, Sumner and Williamson Counties. (See **Tab 13** in attachments.)

3) Service area;

RESPONSE: Providence Surgery Center is located in the city of Mt. Juliet and serves Wilson County along with the contiguous counties of Davidson and Rutherford. The primary service area is comprised of four zip codes in Wilson County (37122, 37087, 37090, 37184). The secondary service area is comprised of six zip codes in Davidson County (37076, 37138, 37214, 37217, 37013, 37115) and five zip codes in

Rutherford County (37129, 37130, ³³37086, 37128, 37167). The service area will not change with the proposed relocation of approximately one mile.

- 4) Existing similar service providers;

RESPONSE: The proposed project will not have a negative effect on existing providers. There are only two other ASTCs in Wilson County. Lebanon Endoscopy Center is an affiliate of Providence and Wilson County Eye Surgery Center does not provide multispecialty services.

The strong population growth rates in the three-county service area will assure future demand for surgical services, which will benefit all surgery providers. The practice growth of TOA surgeons will also support the projected growth at Providence.

- 5) Project cost;

RESPONSE: The total project cost is \$8,082,908 including future lease payments.

- 6) Funding;

RESPONSE: Funding for the project will come from the owners' equity and a commercial loan.

- 7) Financial Feasibility including when the proposal will realize a positive financial margin; and

RESPONSE: The project will realize a positive financial margin in its second year of operation.

- 8) Staffing.

RESPONSE: With the additional procedure room, staffing will increase from 14.5 FTEs to 19.0 FTEs. Both Ascension Saint Thomas Health and USPI have the resources to recruit and retain the necessary staff for this proposed relocation.

B. Rationale for Approval

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B. of this application. Please summarize in one page or less each of the criteria:

- 1) Need;

RESPONSE: As described previously, In December 2016, Providence received approval to expand from an orthopaedic and pain surgery center to a multispecialty

surgery center in December 2016³⁴. The current facility now lacks the physical capabilities to accommodate recent case growth let alone projected case growth. This has resulted in a number of clinical, operational and facility deficiencies necessitating the relocation of the ASTC and the addition of a second procedure room.

2) Economic Feasibility;

RESPONSE: Providence now has a positive financial margin. The project will realize a positive financial margin in its second year of operation after the relocation.

3) Appropriate Quality Standards; and

RESPONSE: Providence is now licensed by the state of Tennessee and has every intent to continue to be so in the future. Providence is also accredited by The Joint Commission and has every intent to continue to be so in the future. As part of the Ascension Saint Thomas Health network and USPI, Providence also has access to a full range of quality and utilization management resources.

4) Orderly Development to adequate and effective health care.

RESPONSE: Providence is part of a larger family of existing ambulatory surgery centers that benefits from a partnership between Ascension Saint Thomas Health and USPI. The proposed relocation will allow Providence to upgrade its facilities and improve the clinical quality of care offered to its patients in a faith-based environment. These goals cannot be achieved at the current location.

C. Consent Calendar Justification

If Consent Calendar is requested, please provide the rationale for an expedited review.

A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.

RESPONSE: Not applicable.

4. SECTION A: PROJECT DETAILS

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Owner of the Facility, Agency or Institution

A. <u>Tenn SM, LLC</u>		<u>615-376-7300</u>
Name		Phone Number
<u>5002 Crossing Circle, Suite 110</u>		<u>Wilson</u>
Street or Route		County
<u>Mt. Juliet</u>	<u>TN</u>	<u>37122</u>
City	State	Zip Code

B. Type of Ownership of Control (Check One)

A. Sole Proprietorship	_____	F. Government (State of TN or Political Subdivision)	_____
B. Partnership	_____	G. Joint Venture	_____
C. Limited Partnership	_____	H. Limited Liability Company	<u>X</u>
D. Corporation (For Profit)	_____	I. Other (Specify) _____	_____
E. Corporation (Not-for-Profit)	_____		

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's web-site at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>.

RESPONSE: See TAB 1, Attachment Section A-4B-1.

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

RESPONSE: See TAB 2, Attachment Section A-4B-2. Medical office building developer Robert Biscan owns 37.77%, Saint Thomas/USP Surgery Centers, LLC owns 36.67%. The remainder is owned by physician investors with no individual owning 5% or more.

5. Name of Management/Operating Entity (If Applicable)

<u>USP Tennessee, Inc. (United Surgical Partners International)</u>		
Name		
<u>20 Burton Hills Boulevard, Suite 210</u>		
Street or Route		
<u>Nashville</u>	<u>TN</u>	<u>37215</u>
City	State	Zip Code
Website address: <u>www.uspi.com</u>		

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract.

RESPONSE: See TAB 3, Attachment Section A-5.

6A. Legal Interest in the Site of the Institution (Check One)

- | | | | |
|-----------------------------|----------|--------------------|-------|
| A. Ownership | _____ | D. Option to Lease | _____ |
| B. Option to Purchase | _____ | E. Other (Specify) | _____ |
| C. Lease of <u>10</u> Years | <u>X</u> | | |

Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements **must include** anticipated purchase price. Lease/Option to Lease Agreements **must include** the actual/anticipated term of the agreement **and** actual/anticipated lease expense. The legal interests described herein **must be valid** on the date of the Agency's consideration of the certificate of need application.

RESPONSE: See TAB 4, Attachment Section A-6A.

6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site on an 8 1/2" x 11" sheet of white paper, single or double-sided. DO NOT SUBMIT BLUEPRINTS. Simple line drawings should be submitted and need not be drawn to scale.

- 1) Plot Plan **must include**:
 - a. Size of site (*in acres*);
 - b. Location of structure on the site;
 - c. Location of the proposed construction/renovation; and
 - d. Names of streets, roads or highway that cross or border the site.

RESPONSE: See TAB 5, Attachment Section A-6B-1.

- 2) Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8 1/2 by 11 sheet of paper or as many as necessary to illustrate the floor plan.

RESPONSE: See TAB 6, Attachment Section A-6B-2.

- 3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

RESPONSE: The proposed new site of Providence is at the southwest corner of the Belinda Parkway and Providence Trail intersection in Mt. Juliet, which is approximately a mile from the current site. The proposed location has easy access to I-40. The Music City Star, a part of the Regional Transportation Authority, has a Mt. Juliet station for easy access from Nashville to Lebanon.

Please see Tab 7, Attachment Section A-6B-3 for two maps, one showing access via I-40 and the second showing access via the Music City Star.

7. Type of Institution (Check as appropriate--more than one response may apply)

- | | |
|--|---|
| A. Hospital (Specify) _____ | H Nursing Home _____ |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty <u>X</u> | I. Outpatient Diagnostic Center _____ |
| C. ASTC, Single Specialty _____ | J. Rehabilitation Facility _____ |
| D. Home Health Agency _____ | K. Residential Hospice _____ |
| E. Hospice _____ | L. Nonresidential Substitution-Based Treatment Center for _____ |
| F. Mental Health Hospital _____ | Opiate Addiction _____ |
| G. Intellectual Disability Institutional Habilitation Facility ICF/IID _____ | M. Other (Specify) _____ |

Check appropriate lines(s).

8. Purpose of Review (Check appropriate lines(s) – more than one response may apply)

- | | |
|--|---|
| A. New Institution _____ | F. Change in Bed Complement _____ |
| B. Modifying an ASTC with limitation still required per CON _____ | [Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation] |
| C. Addition of MRI Unit _____ | |
| D. Pediatric MRI _____ | |
| E. Initiation of Health Care Service as defined in T.C.A. §68-11-1607(4) (Specify) _____ | G. Satellite Emergency Dept. _____ |
| | H. Change of Location <u>X</u> |
| | I. Other (Specify) _____ |

9. Medicaid/TennCare, Medicare Participation

MCO Contracts [Check all that apply]

X AmeriGroup X United Healthcare Community Plan X BlueCare X TennCare Select

Medicare Provider Number 3287013

Medicaid Provider Number 1513212

Certification Type Ambulatory Surgical Center

If a new facility, will certification be sought for Medicare and/or Medicaid/TennCare?

Medicare Yes No X N/A Medicaid/TennCare Yes No X N/A

10. Bed Complement Data

A. Please indicate current and proposed distribution and certification of facility beds.

	<i>Current Licensed</i>	<i>Beds Staffed</i>	<i>Beds Proposed</i>	<i>*Beds Approved</i>	<i>**Beds Exempted</i>	<i>TOTAL Beds at Completion</i>
1) Medical	_____	_____	_____	_____	_____	_____
2) Surgical	_____	_____	_____	_____	_____	_____
3) ICU/CCU	_____	_____	_____	_____	_____	_____
4) Obstetrical	_____	_____	_____	_____	_____	_____
5) NICU	_____	_____	_____	_____	_____	_____
6) Pediatric	_____	_____	_____	_____	_____	_____
7) Adult Psychiatric	_____	_____	_____	_____	_____	_____
8) Geriatric Psychiatric	_____	_____	_____	_____	_____	_____
9) Child/Adolescent Psychiatric	_____	_____	_____	_____	_____	_____
10) Rehabilitation	_____	_____	_____	_____	_____	_____
11) Adult Chemical Dependency	_____	_____	_____	_____	_____	_____
12) Child/Adolescent Chemical Dependency	_____	_____	_____	_____	_____	_____
13) Long-Term Care Hospital	_____	_____	_____	_____	_____	_____
14) Swing Beds	_____	_____	_____	_____	_____	_____
15) Nursing Home – SNF (Medicare only)	_____	_____	_____	_____	_____	_____
16) Nursing Home – NF (Medicaid only)	_____	_____	_____	_____	_____	_____
17) Nursing Home – SNF/NF (dually certified Medicare/Medicaid)	_____	_____	_____	_____	_____	_____
18) Nursing Home – Licensed (non-certified)	_____	_____	_____	_____	_____	_____
19) ICF/IID	_____	_____	_____	_____	_____	_____
20) Residential Hospice	_____	_____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____	_____	_____

Beds approved but not yet in service**Beds exempted under 10% per 3 year provision*

B. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the applicant facility's existing services.

RESPONSE: Not applicable.

C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete chart below.

CON Number(s)	CON Expiration Date	Total Licensed Beds Approved
N/A	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

11. Home Health Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply: – **RESPONSE: N/A**

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lauderdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lawrence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bledsoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lincoln	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Loudon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McMinn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McNairy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Macon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Madison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheatham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marshall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Maury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Claiborne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Meigs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Monroe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cocke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Montgomery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coffee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumberland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Obion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Davidson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decatur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Perry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DeKalb	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pickett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Polk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Putnam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fayette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rhea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fentress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Roane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franklin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gibson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rutherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Giles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grainger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sequatchie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sevier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grundy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shelby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamblen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hancock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sumner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tipton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trousdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Haywood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unicoi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Van Buren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hickman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Washington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Humphreys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wayne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Weakley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Williamson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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12. Square Footage and Cost Per Square Footage Chart

Unit/Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage		
					Renovated	New	Total
ASTC						16,500	16,500
Unit/Department GSF Sub-Total							
Other GSF Total							
Total GSF						16,500	16,500
*Total Cost						\$4,876,500	\$4,876,500
**Cost Per Square Foot						\$295	\$295
<p>Cost per Square Foot Is Within Which Range (For quartile ranges, please refer to the Applicant's Toolbox on www.tn.gov/hsda)</p> <p>Response: This is a turnkey, lease arrangement with the landlord. Please reference the architect cost verification letter in Tab 8, Attachment Section A-12. The 3rd quartile (2015-2017) is \$250.50 and above.</p>					<input type="checkbox"/> Below 1 st Quartile <input type="checkbox"/> Between 1 st and 2 nd Quartile <input type="checkbox"/> Between 2 nd and 3 rd Quartile <input type="checkbox"/> Above 3 rd Quartile	<input type="checkbox"/> Below 1 st Quartile <input type="checkbox"/> Between 1 st and 2 nd Quartile <input type="checkbox"/> Between 2 nd and 3 rd Quartile <input checked="" type="checkbox"/> Above 3 rd Quartile	<input type="checkbox"/> Below 1 st Quartile <input type="checkbox"/> Between 1 st and 2 nd Quartile <input type="checkbox"/> Between 2 nd and 3 rd Quartile <input checked="" type="checkbox"/> Above 3 rd Quartile

* The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.

** Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.

13. MRI, PET, and/or Linear Accelerator – ⁴¹RESPONSE: Not Applicable

- Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding a MRI scanner in counties with population less than 250,000 or initiation of pediatric MRI in counties with population greater than 250,000 and/or
- Describe the acquisition of any Positron Emission Tomographer (PET) or Linear Accelerator if initiating the service by responding to the following:

A. Complete the chart below for acquired equipment.

<input type="checkbox"/> Linear Accelerator	Mev	Types:	<input type="checkbox"/> SRS	<input type="checkbox"/> IMRT	<input type="checkbox"/> IGRT	<input type="checkbox"/> Other
	Total Cost*:		<input type="checkbox"/> By Purchase	<input type="checkbox"/> By Lease Expected Useful Life (yrs) _____		
	<input type="checkbox"/> New	<input type="checkbox"/> Refurbished	<input type="checkbox"/> If not new, how old? (yrs) _____			
<input type="checkbox"/> MRI	Tesla: _____	Magnet:	<input type="checkbox"/> Breast	<input type="checkbox"/> Extremity		
			<input type="checkbox"/> Open	<input type="checkbox"/> Short Bore	<input type="checkbox"/> Other	_____
	Total Cost*:		<input type="checkbox"/> By Purchase	<input type="checkbox"/> By Lease Expected Useful Life (yrs) _____		
	<input type="checkbox"/> New	<input type="checkbox"/> Refurbished	<input type="checkbox"/> If not new, how old? (yrs) _____			
<input type="checkbox"/> PET	<input type="checkbox"/> PET only	<input type="checkbox"/> PET/CT	<input type="checkbox"/> PET/MRI			
	Total Cost*:		<input type="checkbox"/> By Purchase	<input type="checkbox"/> By Lease Expected Useful Life (yrs) _____		
	<input type="checkbox"/> New	<input type="checkbox"/> Refurbished	<input type="checkbox"/> If not new, how old? (yrs) _____			

* As defined by Agency Rule 0720-9-.01(13)

- In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.
- Compare lease cost of the equipment to its fair market value. Note: Per Agency Rule, the higher cost must be identified in the project cost chart.
- Schedule of Operations:

Location	Days of Operation (Sunday through Saturday)	Hours of Operation (example: 8 am – 3 pm)
Fixed Site (Applicant)	Monday through Friday	8am - 5pm
Mobile Locations (Applicant)		
(Name of Other Location)		
(Name of Other Location)		

- Identify the clinical applications to be provided that apply to the project.
- If the equipment has been approved by the FDA within the last five years provide documentation of the same.

SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with T.C.A. § 68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care.” Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper, single-sided or double sided.* All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. ***If a question does not apply to your project, indicate “Not Applicable (NA).”***

QUESTIONS

SECTION B: NEED

- A. Provide a response to each criterion and standard in Certificate of Need Categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the Tennessee Health Services and Development Agency or found on the Agency’s website at <http://www.tn.gov/hsda/article/hsda-criteria-and-standards>.

RESPONSE: This proposed project is for a relocation of an existing multispecialty ambulatory surgical treatment center to a site that is approximately one mile from its current location. As described below, the project is consistent with the criteria and standards for the Construction, Renovation, Expansion and Replacement of Health Care Institutions.

Since a procedure room is being added for infection control purposes, responses to the criteria and standards for Ambulatory Surgical Treatment Centers follow next. The project is also consistent with these criteria and standards

Construction, Renovation, Expansion and Replacement of Health Care institutions

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

RESPONSE: The proposed project is a relocation of an existing multispecialty ambulatory surgical treatment center approximately one mile. The new location will add a procedure room for a total of two ORs and two procedure rooms. The criteria and standards for Ambulatory Surgical Treatment Centers follow next.

2. For relocation or replacement of an existing licensed health care institution:
 - a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

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RESPONSE: Approval as a multispecialty ASTC in December 2016 has increased the number and diversity of surgical cases at Providence. Due to the lack of adjacent space for expansion/renovation, relocation is the only viable option.

- b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

RESPONSE: Approval as a multispecialty ASTC in December 2016 has increased the number and diversity of surgical cases at Providence. As a result, the following facility deficiencies can only be corrected through relocation. These existing deficiencies will only increase as the case volume at Providence continues to grow.

- With the addition of two new specialties at Providence (gastroenterology and ophthalmology), the current location does not have the pre-op/post-op space to accommodate additional case volumes.
- The addition of gastroenterology also necessitates a dedicated procedure room to avoid cross contamination of clean procedures (pain) with gastroenterology. The current location does not provide this capability.
- The current decontamination and sterile processing area cannot accommodate the new standards required for processing gastroenterology scopes and ophthalmology instrument trays.
- Otolaryngology ("ENT") cases have grown significantly. The current location does not allow separation of children from the adult population. The standard of care now is to keep adolescent tonsillectomy patients two hours post op, which means these patients can occupy as many as three to four of the seven patient bays. This lack of post-op space inhibits Providence from running both ORs and the existing procedure room simultaneously.
- The addition of total joint cases to the orthopedic procedure list requires additional private patient rooms for post op recovery time. Again, there is no space available in the current location to add these rooms.
- With the recent additional cases and projected new cases, the current facility also lacks adequate storage space for supplies and instruments.
- The current HVAC system is at life's end. The control system is no longer supported. Monthly repairs and maintenance to keep the system functioning at needed standards has become financially burdensome. It is a constant battle to maintain appropriate temperature and humidity settings required for the ASTC.
- Providence is at the end of its lease term at the current facility. After a one-year extension, the lease will terminate in October 2020. This provides an excellent opportunity to right-size the facility in a new location.

- Saint Thomas Medical⁴⁴ Partners recently opened an outpatient campus approximately one mile away in Mt. Juliet. This campus currently has ten physicians and three mid-level providers along with an urgent care center, laboratory, basic x-ray, physical therapy and other support services.
- Providence has secured a new site adjacent to this Saint Thomas campus. The Tennessee Orthopaedic Alliance will co-locate in the new multitenant building with Providence, increasing the demand for ASTC services at the new location.
- Finally, Carafem announced on February 28, 2019 that it was opening a new office at Providence's current location. This provider of abortion and birth control services is incompatible with the beliefs and mission of Ascension Saint Thomas Health, further justifying the relocation.

3. For renovation or expansions of an existing licensed health care institution:

- a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

RESPONSE: Not applicable. This proposed project is for a facility relocation approximately one mile away.

- b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

RESPONSE: Not applicable. This proposed project is for facility relocation approximately one mile away.

Ambulatory Surgical Treatment Centers

Determination of Need

1. Need. The minimum numbers of 884 Cases per Operating Room and 1867 Cases per Procedure Room are to be considered as baseline numbers for purposes of determining Need. An applicant should demonstrate the ability to perform a minimum of 884 Cases per Operating Room and/or 1867 Cases per Procedure Room per year, except that an applicant may provide information on its projected case types and its assumptions of estimated average time and clean up and preparation time per Case if this information differs significantly from the above-stated assumptions. It is recognized that an ASTC may provide a variety of services/Cases and that as a result the estimated average time and clean up and preparation time for such services/Cases may not meet the minimum numbers set forth herein. It is also recognized that an applicant applying for an ASTC Operating Room(s) may apply for a Procedure Room, although the anticipated utilization of that Procedure Room may not meet the base guidelines contained here. Specific reasoning and explanation for the inclusion in a CON application of such a Procedure Room must be provided. An applicant that desires to limit its Cases to a specific type or types should apply for a Specialty ASTC.

RESPONSE: Providence is an existing ⁴⁵ASTC with two operating rooms and one procedure room. This relocation project of approximately one mile proposes to add one procedure room for infection control purposes.

In December 2016, Providence received approval to expand from an orthopaedic and pain surgery center to a multispecialty surgery center. The current facility now lacks the physical capabilities to accommodate recent case growth let alone projected case growth.

Beginning with actual utilization for the 12 months ending December 2018, Providence performed 1,050 total cases (733 OR and 317 PR). Again, this was a period during which it had outgrown its existing facilities and case growth was constrained.

**Providence Historical and Projected
ASTC Utilization Cases**

	CY 2018	Year 1 2020	Year 2 2021
Cases			
OR	733	1,571	2,381
PR	317	933	1,488
	1,050	2,504	3,869
Rooms			
OR	2	2	2
PR	1	2	2
Cases/Rm			
OR	367	786	1,191
PR	317	467	744

As indicated above, Providence will meet the minimum volume requirement for ORs in Year 2. It seeks an exception from the procedure room minimum volume requirement due to the need to maintain infection control procedures for gastroenterology and pain medicine procedures. These cases should not be performed in the same procedure room.

The methodology employed to project Year 1 and Year 2 cases involved an analysis of trends by specialty and physician that tracked practice growth trends, then performed interviews with individual practices and physician groups in order to ascertain surgeon practice patterns going forward.

Consistent with its prior CON approvals (CN0411-103, CN1006-028 and CN1608-031) to improve patient access, Providence is now seeking approval for its relocation to correct facility deficiencies due to a growing and more diverse case mix.

- Providence has a noteworthy history of providing care to both Medicare and TennCare MCO patients.
- Providence is the only multispecialty ASTC in Wilson County.
- The two existing ASTCs in Wilson County are restricted to only two specialties – gastroenterology and ophthalmology.

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- The only hospital-based outpatient operating rooms in Wilson County (Tennova Healthcare – Lebanon with four ORs) reported 1,115 cases per OR in 2017 and are very highly utilized. Being hospital-based, they are also much more expensive than Providence's ASTC services which are billed at lower non-hospital rates.

- Mt. Juliet is the most populous and fastest growing city in Wilson County.

- Patients and payers will continue to benefit from Providence's lower cost freestanding ASTC rates compared to a higher cost hospital-based ambulatory surgery center.

2. Need and Economic Efficiencies. An applicant must estimate the projected surgical hours to be utilized per year for two years based on the types of surgeries to be performed, including the preparation time between surgeries. Detailed support for estimates must be provided.

RESPONSE: Projections provided below are based on the assumptions found in the ASTC standards and criteria for operating rooms and procedure rooms. With expanded space for its two ORs, Providence will function more efficiently.

Providence Projected ASTC Utilization Hours

	Year 1 2020	Year 2 2021
Cases		
OR	1,571	2,381
PR	933	1,488
	2,504	3,869
Min/Case		
OR	95	95
PR	45	45
Total Min		
OR	149,245	226,195
PR	41,985	66,960
	191,230	293,155
Total Hours		
OR	2,487.4	3,769.9
PR	699.8	1,116.0
	3,187.2	4,885.9

3. Need; Economic Efficiencies; Access. To determine current utilization and need, an applicant should take into account both the availability and utilization of either: a) all existing outpatient Operating Rooms and Procedure Rooms in a Service Area, including physician office based surgery rooms (when those data are officially reported and available) OR b) all existing comparable outpatient Operating Rooms and Procedure Rooms based on the type of Cases to be performed. Additionally, applications should provide similar information on the availability of nearby out-of-state existing outpatient Operating Rooms and Procedure Rooms, if that data are available, and provide the source of that data. Unstaffed dedicated outpatient Operating Rooms and unstaffed dedicated outpatient Procedure Rooms are

considered available for ambulatory surgery⁴⁷ and are to be included in the inventory and in the measure of capacity.

RESPONSE: As stated previously, Providence is the only multispecialty ASTC in the primary service area (Wilson County). The two other ASTCs in Wilson County are restricted to gastroenterology and ophthalmology cases.

Rather than adding ORs, Providence seeks to add space so its two existing ORs can accommodate more patients.

2017 ASTC Utilization in the Providence Service Area

County	Zip Code	Facility Name	ORs	OR Cases	OR Cases per OR
Davidson	37115	American Endoscopy Center	1	538	538
	37076	Associated Endoscopy	0	0	0
	37115	Northridge Surgery Center	5	2,195	439
	37076	Summit Surgery Center	5	4,851	970
	37013	Tennessee Pain Surgery Center	1	665	665
Rutherford	37129	Middle Tennessee Ambulatory Surgery Center	6	5,764	961
	37130	Mid-State Endoscopy Center	0	0	0
	37167	Physicians Pavilion Surgery Center	4	2,171	543
	37167	Spine and Pain Physicians Surgery Center, LLC	0	0	0
	37129	Surgicenter of Murfreesboro Medical Clinic	3	3,491	1,164
Wilson	37129	Williams Surgery Center	1	56	56
	37090	Lebanon Endoscopy Center	0	0	0
	37122	Providence Surgery Center	2	616	308
	37087	Wilson County Eye Surgery Center	1	780	780
		Total Prim Svc Area (14 facilities)	29	21,127	729

Source: Tennessee Department of Health - JARs 2017

Consistent with its prior CON approvals to improve patient access, Providence is seeking approval for this relocation under the ASTC access special considerations found in Sections 11.a and 11.c of this rule.

- Davidson and Rutherford counties are designated whole county, low income, federally-designated medically underserved areas (“MUAs”).
 - Providence has a noteworthy history of providing care to both Medicare and TennCare MCO patients.
4. **Need and Economic Efficiencies.** An applicant must document the potential impact that the proposed new ASTC would have upon the existing service providers and their referral patterns. A CON application to establish an ASTC or to expand existing services of an ASTC should not be approved unless the existing ambulatory surgical services that provide comparable services regarding the types of Cases performed, if those services are known and

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relevant, within the applicant's proposed Service Area or within the applicant's facility are demonstrated to be currently utilized at 70% or above.

RESPONSE: As stated previously, Providence is not seeking to add ORs. Instead, Providence seeks to add space so its two existing ORs can function more efficiently.

Providence is the only multispecialty ASTC in the primary service area (Wilson County). The two other ASTCs in Wilson County are restricted to gastroenterology and ophthalmology cases.

Consistent with its prior CON approvals to improve economic efficiency, Providence is seeking approval for this relocation under the ASTC access special considerations found in Sections 11.a and 11.c of this rule.

- Davidson and Rutherford counties are designated whole county, low income, federally-designated medically underserved areas ("MUAs").
- Providence has a noteworthy history of providing care to both Medicare and TennCare MCO patients.

Providence can achieve improved operational efficiency and financial sustainability with this requested relocation. At the same time, patients and payers will continue to benefit from Providence's lower cost freestanding ASTC rates compared to a higher cost hospital-based ambulatory surgery center.

5. **Need and Economic Efficiencies.** An application for a Specialty ASTC should present its projections for the total number of cases based on its own calculations for the projected length of time per type of case, and shall provide any local, regional, or national data in support of its methodology. An applicant for a Specialty ASTC should provide its own definitions of the surgeries and/or procedures that will be performed and whether the Surgical Cases will be performed in an Operating Room or a Procedure Room. An applicant for a Specialty ASTC must document the potential impact that the proposed new ASTC would have upon the existing service providers and their referral patterns. A CON proposal to establish a Specialty ASTC or to expand existing services of a Specialty ASTC shall not be approved unless the existing ambulatory surgical services that provide comparable services regarding the types of Cases performed within the applicant's proposed Service Area or within the applicant's facility are demonstrated to be currently utilized at 70% or above. An applicant that is granted a CON for a Specialty ASTC shall have the specialty or limitation placed on the CON.

RESPONSE: These items are addressed in the responses to Questions 1 - 4, above. Please note that Providence is an existing multispecialty ASTC seeking to relocate to correct facility deficiencies so it may operate more efficiently and improve patient accessibility.

Other Standards and Criteria

6. **Access to ASTCs.** The majority of the population in a Service Area should reside within 60 minutes average driving time to the facility.

RESPONSE: Based on Providence's 2018 zip code patient origin data, 72 percent of patients resided in 15 contiguous zip codes. The primary service area is comprised of four zip codes in Wilson County (37122, 37087, 37090, 37184). The secondary service area is comprised

of six zip codes in Davidson County (37076, 37138, 37214, 37217, 37013, 37115) and five zip codes in Rutherford County (37129, 37130, 37086, 37128, 37167). The service area will not change with the proposed relocation of approximately one mile.

The majority of the population in Providence's service area resides within 60 minutes average driving time to the facility.

7. Access to ASTCs. An applicant should provide information regarding the relationship of an existing or proposed ASTC site to public transportation routes if that information is available.

RESPONSE: The proposed new site of Providence is at the southwest corner of the Belinda Parkway and Providence Trail intersection in Mt. Juliet, which is approximately a mile from the current site. The proposed location has easy access to I-40. The Music City Star, a part of the Regional Transportation Authority, has a Mt. Juliet station for easy access from Nashville to Lebanon.

Please see **Tab 7** for two maps, one showing access via I-40 and the second showing access via the Music City Star.

Due to patient discharge policies, however, train and taxi access is not advisable. Patients arrive and leave via private automobile

8. Access to ASTCs. An application to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment center must project the origin of potential patients by percentage and county of residence and, if such data are readily available, by zip code, and must note where they are currently being served. Demographics of the Service Area should be included, including the anticipated provision of services to out-of-state patients, as well as the identity of other service providers both in and out of state and the source of out-of-state data. Applicants shall document all other provider alternatives available in the Service Area. All assumptions, including the specific methodology by which utilization is projected, must be clearly stated.

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RESPONSE: Providence's proposed service area is not projected to change due to this relocation of approximately one mile.

**Providence Surgery Center
Historical and Projected Patient Origin**

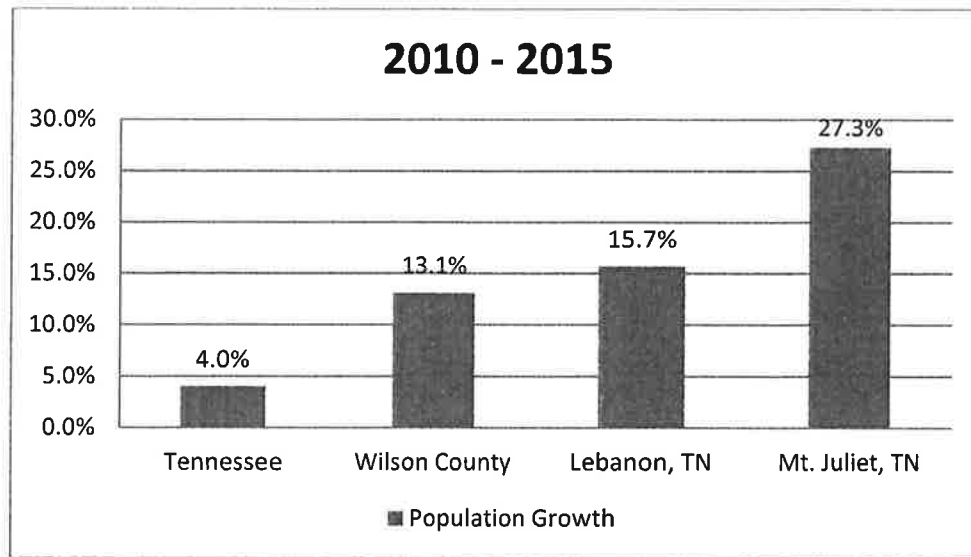
County	Zip Code	2018	2018	Year 1	Year 2
Total Patients		1,426		2,504	3,869
WILSON	37122	339	23.8%	595.3	919.8
WILSON	37087	176	12.3%	309.0	477.5
DAVIDSON	37076	121	8.5%	212.5	328.3
DAVIDSON	37138	83	5.8%	145.7	225.2
WILSON	37090	65	4.6%	114.1	176.4
DAVIDSON	37214	52	3.6%	91.3	141.1
DAVIDSON	37217	30	2.1%	52.7	81.4
RUTHERFORD	37129	27	1.9%	47.4	73.3
DAVIDSON	37013	26	1.8%	45.7	70.5
DAVIDSON	37115	22	1.5%	38.6	59.7
RUTHERFORD	37130	22	1.5%	38.6	59.7
RUTHERFORD	37086	18	1.3%	31.6	48.8
WILSON	37184	18	1.3%	31.6	48.8
RUTHERFORD	37128	17	1.2%	29.9	46.1
RUTHERFORD	37167	14	1.0%	24.6	38.0
Subtotal		1,030		1,808.6	2,794.6
		72.2%			
OTHER		396		695.4	1,074.4

Source: Internal records

Relatively few patients are projected to be served from outside Tennessee.

Mt. Juliet is now the largest city in Wilson County. According to US Census data for 2010 and 2015, the population in Mt. Juliet grew an astonishing 27.3 percent compared to 15.7 percent for Lebanon, 13.1 percent for Wilson County and just 4.0 percent for Tennessee overall.

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Providence Surgery Center
Service Area Population Growth Comparisons



Source: US Census

All assumptions, including the specific methodology by which utilization is projected, is provided in the response to Question 1, above.

Alternatives to this latest Providence project are few in number. The current facility now lacks the physical capabilities to accommodate recent case growth let alone projected case growth. As explained throughout the application, there are a number of clinical, operational and facility justifications for the ASTC relocation and the addition of a second procedure room.

Consistent with its prior CON approvals to improve patient access, Providence is seeking approval for this relocation under the ASTC access special considerations found in Sections 11.a and 11.c of this rule.

- Davidson and Rutherford counties are designated whole county, low income, federally-designated medically underserved areas ("MUAs").
- Providence has a noteworthy history of providing care to both Medicare and TennCare MCO patients.

9. Access and Economic Efficiencies. An application to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment center must project patient utilization for each of the first eight quarters following completion of the project. All assumptions, including the specific methodology by which utilization is projected, must be clearly stated.

RESPONSE: Providence is an existing ASTC with two operating rooms and one procedure room. This relocation project of approximately one mile proposes to add one procedure room for infection control purposes.

All assumptions, including the specific methodology by which utilization is projected, is provided in the response to Question 1, above. Quarterly patient volumes are based upon

United Surgical Partner's extensive ⁵²experience managing ASTCs throughout the nation generally and at Providence specifically.

**Providence Surgery Center
Projected Cases by Quarter**

Projection	Year	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Cases	1	381	513	727	883	2,504
Cases	2	967	967	967	968	3,869

Source: Internal records

10. Patient Safety and Quality of Care; Health Care Workforce.

- a. An applicant should be or agree to become accredited by any accrediting organization approved by the Centers for Medicare and Medicaid Services, such as the Joint Commission, the Accreditation Association of Ambulatory Health Care, the American Association for Accreditation of Ambulatory Surgical Facilities, or other nationally recognized accrediting organization.

RESPONSE: Providence is currently accredited by The Joint Commission. This accreditation will be maintained upon CON approval. Please see **Tab 11**.

- b. An applicant should estimate the number of physicians by specialty that are expected to utilize the facility and the criteria to be used by the facility in extending surgical and anesthesia privileges to medical personnel. An applicant should provide documentation on the availability of appropriate and qualified staff that will provide ancillary support services, whether on- or off-site.

RESPONSE: As an existing licensed and accredited facility, Providence already has qualified staff and credentialing processes in place to support the delivery of quality patient care.

Conservative projections are based upon ASTC utilization by five ENTs and one ENT group, one gastroenterology group, one ophthalmologist, nine orthopedic surgeons and one orthopedic group, two pain management specialists and one pain management group, two podiatrists and one urology group (totaling 19 individual physicians plus five groups).

As described later in the application, full-time equivalent staff are expected to increase from 14.5 currently to approximately 19.0. Both Saint Thomas Health and United Surgical Partners have extensive recruitment resources which will be utilized to staff the Providence project.

11. Access to ASTCs. In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principle No. 2 in the State Health Plan, "Every citizen should have reasonable access to health care," the HSDA may decide to give special consideration to an applicant:

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RESPONSE: Consistent with its prior CON approvals to improve patient access, Providence is seeking approval for this relocation under the ASTC access special considerations found in Sections 11.a and 11.c of this rule.

- Davidson and Rutherford counties are designated whole county, low income, federally-designated medically underserved areas ("MUAs").
- Providence has a noteworthy history of providing care to both Medicare and TennCare MCO patients.

In December 2016, Providence received approval to expand from an orthopaedic and pain surgery center to a multispecialty surgery center. (See CN1608-031.) The current facility now lacks the physical capabilities to accommodate recent case growth let alone projected case growth. The following factors contribute to the lack of access to ASTC services in Wilson County.

- With the addition of two new specialties at Providence (gastroenterology and ophthalmology), the current location does not have the pre-op/post-op space to accommodate additional case volumes.
- The addition of gastroenterology also necessitates a dedicated procedure room to avoid cross contamination of clean procedures (pain) with gastroenterology. The current location does not provide this capability.
- The current decontamination and sterile processing area cannot accommodate the new standards required for processing gastroenterology scopes and ophthalmology instrument trays.
- Otolaryngology ("ENT") cases have grown significantly. The current location does not allow separation of children from the adult population. The standard of care now is to keep adolescent tonsillectomy patients two hours post op, which means these patients can occupy as many as three to four of the seven patient bays. This lack of post-op space inhibits Providence from running both ORs and the existing procedure room simultaneously.
- The addition of total joint cases to the orthopedic procedure list requires additional private patient rooms for post op recovery time. Again, there is no space available in the current location to add these rooms.
- With the recent additional cases and projected new cases, the current facility also lacks adequate storage space for supplies and instruments.
- The current HVAC system is at life's end. The control system is no longer supported. Monthly repairs and maintenance to keep the system functioning at needed standards has become financially burdensome. It is a constant battle to maintain appropriate temperature and humidity settings required for the ASTC.
- Providence is at the end of its lease term at the current facility. After a one-year extension, the lease will terminate in October 2020. This provides an excellent opportunity to right-size the facility in a new location.

- Saint Thomas Medical Partners recently opened an outpatient campus approximately one mile away in Mt. Juliet. This campus currently has ten physicians and three mid-level providers along with an urgent care center, laboratory, basic x-ray, physical therapy and other support services.
 - Providence has secured a new site adjacent to this Saint Thomas campus. The Tennessee Orthopaedic Alliance (“TOA”) will co-locate in the new multitenant building with Providence, increasing the demand for ASTC services at the new location.
 - Finally, Carafem announced on February 28, 2019 that it was opening a new office at Providence’s current location. This provider of abortion and birth control services is incompatible with the beliefs and mission of Ascension Saint Thomas Health, further justifying the relocation. (See **Tab 12** in attachments.)
 - At the same time, patients and payers will continue to benefit from Providence’s lower cost freestanding ASTC rates compared to a higher cost hospital-based ambulatory surgery center.
- a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;
- RESPONSE:** Davidson and Rutherford counties are designated whole county, low income, federally-designated medically underserved areas (“MUAs”).
- b. Who is a “safety net hospital” or a “children’s hospital” as defined by the Bureau of TennCare Essential Access Hospital payment program;
- RESPONSE:** Not applicable. Providence is an existing ASTC.
- c. Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program; or
- RESPONSE:** Providence has a noteworthy history of providing care to both Medicare and TennCare MCO patients, with 18.5 percent and 17.0 percent of gross revenues, respectively, according to the 2018 JAR.
- d. Who is proposing to use the ASTC for patients that typically require longer preparation and scanning times. The applicant shall provide in its application information supporting the additional time required per Case and the impact on the need standard.

RESPONSE: Not applicable. Providence is not seeking special consideration for case times.

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- B. Describe the relationship of this project to the applicant facility's long-range development plans, if any, and how it relates to related previously approved projects of the applicant.

RESPONSE: As a joint venture with Saint Thomas Health, Providence Surgery Center's long-range plan is to assure the availability in Middle Tennessee of high quality, cost-effective and accessible outpatient services. A network of such facilities operated and managed in a coordinated fashion, will result in the optimum use of resources and will be a key component in future models of health care that contemplate broad provider integration.

Approval as a multispecialty ASTC in December 2016 has increased the number and diversity of surgical cases at Providence. Due to the lack of adjacent space for expansion/renovation, relocation is the only viable option.

- C. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map for the Tennessee portion of the service area using the map on the following page, clearly marked to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable.

Please complete the following tables, if applicable:

Providence Patient Origin 2018

Service Area Counties	2018 Utilization-County Residents (unduplicated patients)	% of Total Patients
Wilson	468	44.53%
Davidson	265	25.21%
Rutherford	119	11.32%
Subtotal	852	81.06%
Other TN	192	18.27%
Other States	7	0.67%
Total	1,051	100.00%

Source: ASTC Joint Annual Report

Approximately 80 percent of patients who come to Providence for outpatient surgical care reside in the three-county area. The location of the existing site and the proposed site are readily accessible to residents of this service area and obviates the need to travel farther into Nashville and the traffic and congestion that occurs.

Please see the county service area map on the following page.

County Level Map



- D. 1). a) Describe the demographics of the population to be served by the proposal.

RESPONSE: The Providence Surgery Center ASTC will continue to serve its three-county service area. The relocation approximately one mile away is still in Wilson County and still in the same zip code. The proposed site is in the center of a populous and high-growth service area. The Total Population base of 1,179,399 in 2019 is expected to grow by 5.8 percent through 2023. Each of the three counties has projected Total population growth that is larger than the State of Tennessee average of 3.2 percent.

The Median Age of the service area approximates the State of Tennessee average. Wilson County's median age is 40.2; however, the remaining two counties are below the State's level of 38.6 (33.1 – 34.3). While Providence serves all ages, the service area's Age 65+ population is forecasted to grow by 15.3 percent, also larger than the State's growth of 11.6 percent. This is significant since this age group uses more healthcare resources than all of the other age segments.

Please see the table following the service area map for detailed demographic information.

- b) Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data: <http://www.tn.gov/health/article/statistics-population>

TennCare Enrollment Data: <http://www.tn.gov/tenncare/topic/enrollment-data>

Census Bureau Fact Finder: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Demographic Variable/ Geographic Area	Department of Health/Health Statistics							Bureau of the Census				TennCare	
	Total Population- Current Year	Total Population- Projected Year	Total Population-% Change	*Target Population- Current Year	*Target Population- Project Year	*Target Population- % Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total Population

* Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-19. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2016, then default Projected Year is 2020.

⁵⁸
RESPONSE: This preceding table is provided on the following page, using the data sources and format requested.

Though seniors (age 65+) are high users of healthcare services, this project will benefit all population age cohorts. Consequently, there is not a separate target population for this project.

When looking at the age distribution of unduplicated patients served by Providence, the 2018 JAR survey data indicates the following:

Unduplicated Patients by Age Cohort 2018

Age Group	Patients	Distribution
0 – 17	166	15.8%
18 – 64	657	62.5%
65 and older	228	21.7%
TOTAL	1,051	100.0%

Source: JAR

Demographic Variable/Geographic Area	Department of Health/Health Statistics							Bureau of the Census - 2017				TennCare	
	Total Population Current Year - 2019	Total Population Projected year - 2023	Total Population - % Change	*Target Population (Age 65+) - Current Year 2019	*Target Population (Age 65+) - Projected Year 2023	*Target Population % Change	Target Pop Projected Year as % of Total	Median Age	Median Household Income	Persons Below Poverty Level	Persons Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total Population
Wilson	140,489	150,409	7.1%	23,194	27,191	17.2%	18.1%	40.2	\$66,123	12,925	9.2%	16,705	11.9%
Davidson	708,041	736,762	4.1%	87,046	97,643	12.2%	13.3%	34.3	\$53,419	119,659	16.9%	118,312	16.7%
Rutherford	330,869	361,087	9.1%	36,607	44,431	21.4%	12.3%	33.1	\$62,149	39,043	11.8%	45,469	13.7%
Service Area Total	1,179,399	1,248,258	5.8%	146,847	169,265	15.3%	13.6%	NA	NA	171,627	14.6%	193,841	15.3%
State of TN Total	6,826,985	7,045,475	3.2%	1,154,568	1,288,268	11.6%	18.3%	38.6	\$48,708	1,140,106	16.7%	1,275,862	18.7%

Sources: TN DOH Health Statistics, Bureau of the Census - 2017, and Bureau of TennCare – February 2019

- 2) Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

RESPONSE: The Providence ASTC will continue to provide care to all clinically appropriate patients regardless of sex, race, ethnicity or income. It also provides care to uninsured and low-income populations as well as TennCare patients. For 2017, the proportion of unduplicated patients served who were non-White was 26.2 percent. Of Providence's Gross Patient Charges of \$10,574,660 – Medicare patients represented 17.9 percent, Medicaid/TennCare represented 18.6 percent and Self pay represented 0.7 percent. (Source; JAR survey.)

Providence will continue to serve these populations through its existing surgeon base, some of whom will consolidate their surgical practices from other ASTCs into the new Providence location.

- E. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc. This doesn't apply to projects that are solely relocating a service.

RESPONSE: A summary and a detailed listing of ASTC providers/utilization is shown in the tables below.

**2015-2017 STC Utilization by County – Summary
All ASTCs**

All ASTCs		Surgical Rooms			Encounters			Cases per Total Rms		
County	Providers	ORs	PRs	Total	CY2015	CY2016	CY2017	2015	2016	2017
Wilson	3	3	4	7	3,947	4,400	4,603	564	629	658
Davidson	32	63	48	111	104,977	106,995	109,205	991	964	954
Rutherford	6	14	7	21	21,816	24,201	24,523	1,039	1,152	1,168
TOTAL	41	80	59	139	119,487	135,596	134,974	941	921	971

Source: JAR surveys, 2017 Final Master ASTC file; Surgical rooms were taken from 2017 data

In this table, ASTC utilization for the three-county service area increased 13.0 percent from 2015 to 2017. The increases occurred across all three service area counties.

The data changes after the removal of ASTCs that had no Operating Rooms. That is, where all Surgical Rooms were classified as Procedure Rooms. Please see the summary table below.

2015-2017 STC Utilization by County – Summary Only ASTCs Having ORs

Only ASTCs Having ORs		Surgical Rooms			Encounters			Cases per Total Rms		
County	Providers	ORs	PRs	Total	CY2015	CY2016	CY2017	2015	2016	2017
Wilson	2	3	2	5	2,016	2,237	2,588	403	447	518
Davidson	19	63	17	80	72,042	75,967	78,133	901	950	977
Rutherford	4	14	5	19	18,815	20,342	20,204	990	1,071	1,063
TOTAL	25	80	24	104	93,454	98,546	100,925	899	948	970

Source: JAR surveys, 2017 Final Master ASTC file; Surgical rooms were taken from 2017 data

In this preceding table, ASTC utilization for the three-county service area increased 8.0 percent from 2015 to 2017 versus 13.0 percent when procedure room only providers are included. Therefore, growth is significantly higher in the procedure room sector. This data supports Providence's plans to add a second procedure room for infection control purposes.

2017 ASTC Utilization in the Providence Service Area

County	Zip Code	Facility Name	ORs	OR Cases	OR Cases per OR
Davidson	37115	American Endoscopy Center	1	538	538
	37076	Associated Endoscopy	0	0	0
	37115	Northridge Surgery Center	5	2,195	439
	37076	Summit Surgery Center	5	4,851	970
	37013	Tennessee Pain Surgery Center	1	665	665
Rutherford	37129	Middle Tennessee Ambulatory Surgery Center	6	5,764	961
	37130	Mid-State Endoscopy Center	0	0	0
	37167	Physicians Pavilion Surgery Center	4	2,171	543
	37167	Spine and Pain Physicians Surgery Center, LLC	0	0	0
	37129	Surgicenter of Murfreesboro Medical Clinic	3	3,491	1,164
	37129	Williams Surgery Center	1	56	56
Wilson	37090	Lebanon Endoscopy Center	0	0	0
	37122	Providence Surgery Center	2	616	308
	37087	Wilson County Eye Surgery Center	1	780	780
Total Prim Svc Area (14 facilities)			29	21,127	729

Source: Tennessee Department of Health - JARs 2017

Based on 2017 data, the most recent year available when this application was being prepared, service area ASTC utilization averaged 729 cases (unduplicated patients) per OR. While Providence was below this average in 2017 (308 versus 729), its 2018 utilization is now 369 cases (unduplicated patients) per OR. This amounts to an increase of 19.8 percent in just a

single year, in a facility it has outgrown. ⁶² This data supports Providence's plans to continue to operate two ORs.

This right-sizing of the facility, along with the growth of the service area population and the TOA surgical staff relocation to the new Providence building, will assure that Providence's case volumes will continue to increase.

As shown in the following table, Wilson County also has relatively few Ambulatory Surgery Treatment Center ORs to its total population. Relocating a short distance away from the existing site will help residents access surgical care within their county instead of traveling to providers in other counties.

Service Area ORs Per 100,000 Population

County	ASTC ORs	Population	ORs per 100k Population
Davidson	63	708,041	8.90
Rutherford	14	330,869	4.23
Wilson	3	140,489	2.14
Tennessee	287	6,826,985	4.20

Sources: JAR survey data; TN Population by TN DOH

- F. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

RESPONSE: Providence Surgery Center historical utilization and projections for Year 1 and Year 2 for the proposed project are shown in the following table.

Providence Patients by Specialty

	Providence			2016-18	Year 1	Year 2
Specialty	2016	2017	2018	Change	2020	2021
Orthopedics	430	599	528	98	819	1,172
Pain Management	216	483	317	101	618	756
Neurology	61	19	0	-61	0	0
General Surgery	0	18	0	0	0	0
Otolaryngology	0	16	172	172	406	564
Cardiac	0	4	3	3	0	0
Podiatry	0	0	30	30	31	33
Gastroenterology	0	0	0	0	315	732
Ophthalmology	0	0	0	0	252	490
Urology	0	0	0	0	63	122
TOTAL	707	1,139	1,050	343	2,504	3,869

Source: Tennessee JARs, internal projections

The methodology employed to project Year⁶³ 1 and Year 2 cases involved an analysis of trends by specialty and physician that tracked practice growth trends, then performed interviews with individual practices and physician groups in order to ascertain surgeon practice patterns going forward.

The data in the preceding table indicate that Providence increased its total number of surgical cases by 343 from 2016 to 2018. This was a period during which it had outgrown its existing facilities and case growth was constrained.

A. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- 1) All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee). (See Application Instructions for Filing Fee)

RESPONSE: The applicant acknowledges that the filing fee shall be an amount equal to \$5.75 per \$1,000 of the estimated project cost involved, but in no case shall the fee be less than \$15,000 or more than \$95,000. Enclosed please find a filing fee check in the amount of \$46,212 made payable to the Health Services and Development Agency.

- 2) The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

RESPONSE: Lease terms were set through negotiation with an affiliated third party. Lease costs are calculated below.

	Base Rent	Add Rent	Total
	\$32.50	\$0.00	\$32.50
RSF:	16,500	16,500	
Escalation:	2.50%	2.50%	
Year			
1	\$536,250	\$0	\$536,250
2	549,656	0	549,656
3	563,397	0	563,397
4	577,482	0	577,482
5	591,919	0	591,919
6	606,717	0	606,717
7	621,885	0	621,885
8	637,432	0	637,432
9	653,368	0	653,368
10	669,702	0	669,702
	6,007,808	0	6,007,808
Less TIA	\$100.00	16,500	1,650,000
			\$4,357,808

- 65
- 3) The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

RESPONSE: Reported equipment costs are consistent with these guidelines.

- 4) Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.

RESPONSE: This project is a turnkey lease arrangement. The Square Footage Chart has been completed and an architect cost verification letter has been provided in **Attachment Tab 8**.

- 5) For projects that include new construction, modification, and/or renovation—**documentation must be** provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:
- a) A general description of the project;
 - b) An estimate of the cost to construct the project;
 - c) A description of the status of the site's suitability for the proposed project; and
 - d) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.

RESPONSE: Please see the licensed architect's construction cost verification letter in **Tab 8**.

66
PROJECT COST CHART

Supplemental #1
March 25, 2019
4:01 P.M.

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	\$	
2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees		233,013
3. Acquisition of Site		
4. Preparation of Site		
5. Total Construction Costs		
6. Contingency Fund		160,875
7. Fixed Equipment (Not included in Construction Contract)		509,550
8. Moveable Equipment (List all equipment over \$50,000 as separate attachments)		2,600,450
9. Other (Specify) <u>Low Voltage, Moving Expense</u>		175,000

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)		
2. Building only		4,357,808
3. Land only		
4. Equipment (Specify) _____		
5. Other (Specify) _____		

C. Financing Costs and Fees:

1. Interim Financing		
2. Underwriting Costs		
3. Reserve for One Year's Debt Service		
4. Other (Specify) _____		

D. Estimated Project Cost (A+B+C)	\$	8,036,696
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E. CON Filing Fee		46,212
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F. Total Estimated Project Cost (D+E)	TOTAL	8,082,908
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B. Identify the funding sources for this project.

Check the applicable item(s) below and briefly summarize how the project will be financed. **(Documentation for the type of funding *MUST* be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment Section B-Economic Feasibility-2.)**

- ☒ 1) Commercial loan – Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ 2) Tax-exempt bonds – Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ 3) General obligation bonds – Copy of resolution from issuing authority or minutes from the appropriate meeting;
- ☐ 4) Grants – Notification of intent form for grant application or notice of grant award;
- ☐ 5) Cash Reserves – Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project and audited financial statements of the organization; and/or
- ☒ 6) Other – Identify and document funding from all other sources.

RESPONSE: The project costs, less the sum of the lease payments, will be paid from owners' equity and a commercial loan. Please see **Tab 9, Attachment Section B-B1.**

C. Complete Historical Data Charts on the following two pages—**Do not modify the Charts provided or submit Chart substitutions!**

Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available. Provide a Chart for the total facility and Chart just for the services being presented in the proposed project, if applicable. **Only complete one chart if it suffices.**

Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

RESPONSE: This is provided on the following table.

March 25, 2019

4:01 PM Facility

Project Only

HISTORICAL DATA CHART

Give information for the last *three* (3) years for which complete data are available for the facility or agency. The fiscal year begins in **January** (Month).

	Year <u>2016</u>	Year <u>2017</u>	Year <u>2018</u>
A. Utilization Data (Specify unit of measure, e.g., 1,000 patient days, 500 visits) RESPONSE: Cases (internal data).	<u>900</u>	<u>1,154</u>	<u>1,426</u>
B. Revenue from Services to Patients			
1. Inpatient Services			
2. Outpatient Services	<u>\$ 8,129,875</u>	<u>\$11,075,457</u>	<u>\$15,909,544</u>
3. Emergency Services			
4. Other Operating Revenue (<i>Provider Tax, JV Imaging, USPI</i>)	<u>536</u>	<u>471</u>	<u>459</u>
Gross Operating Revenue	<u>\$ 8,130,411</u>	<u>\$11,075,928</u>	<u>\$15,910,003</u>
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	<u>\$ 6,226,333</u>	<u>\$ 8,836,404</u>	<u>\$12,890,589</u>
2. Provision for Charity Care	<u>0</u>	<u>0</u>	<u>0</u>
3. Provisions for Bad Debt	<u>86,361</u>	<u>113,877</u>	<u>82,965</u>
Total Deductions	<u>\$ 6,312,694</u>	<u>\$ 8,950,281</u>	<u>\$12,973,554</u>
NET OPERATING REVENUE	<u>\$ 1,817,717</u>	<u>\$ 2,125,647</u>	<u>\$ 2,936,449</u>
D. Operating Expenses			
1. Salaries and Wages			
a. Direct Patient Care	<u>\$ 452,454</u>	<u>\$ 566,511</u>	<u>\$ 766,919</u>
b. Non-Patient Care	<u></u>	<u></u>	<u></u>
2. Physician's Salaries and Wages	<u>0</u>	<u>0</u>	<u>0</u>
3. Supplies	<u>784,123</u>	<u>919,616</u>	<u>915,159</u>
4. Rent			
a. Paid to Affiliates			
b. Paid to Non-Affiliates	<u>178,860</u>	<u>234,869</u>	<u>193,351</u>
5. Management Fees:			
a. Paid to Affiliates	<u>109,063</u>	<u>127,539</u>	<u>176,187</u>
b. Paid to Non-Affiliates			
6. Other Operating Expenses	<u>459,931</u>	<u>486,138</u>	<u>548,785</u>
Total Operating Expenses	<u>\$1,984,431</u>	<u>\$2,334,673</u>	<u>\$2,600,401</u>
E. Earnings Before Interest, Taxes and Depreciation	<u>\$ (166,714)</u>	<u>\$ (209,026)</u>	<u>\$ 336,048</u>
F. Non-Operating Expenses			
1. Taxes	<u>16,524</u>	<u>6,865</u>	<u>13,297</u>
2. Depreciation	<u>85,077</u>	<u>79,862</u>	<u>134,047</u>
3. Interest	<u>33,586</u>	<u>40,527</u>	<u>80,621</u>
4. Other Non-Operating Expenses	<u></u>	<u></u>	<u></u>
Total Non-Operating Expenses	<u>135,187</u>	<u>127,254</u>	<u>227,965</u>
NET INCOME (LOSS)	<u>\$ (301,901)</u>	<u>\$ (336,280)</u>	<u>\$ 108,083</u>

Chart Continues Onto Next Page

NET INCOME (LOSS)

\$ (301,901)

\$ ~~4,018,307~~ **P.M.** \$ 108,083

G. Other Deductions

1. Annual Principal Debt Repayment

\$ _____

\$ _____

\$ _____

2. Annual Capital Expenditure

Total Other Deductions

\$ _____

\$ _____

\$ _____

NET BALANCE

\$ (301,901)

\$ (336,280)

\$ 108,083

DEPRECIATION

\$ 85,077

\$ 79,862

\$ 134,047

FREE CASH FLOW (Net Balance + Depreciation)

\$ (216,824)

\$ (256,418)

\$ 242,130

■ Total Facility

□ Project Only

HISTORICAL DATA CHART-OTHER EXPENSES

OTHER EXPENSES CATEGORIES

Year 2016

Year 2017

Year 2018

1. Repair and Maintenance

\$ 157,546

\$ 132,537

\$ 160,173

2. Purchased Services

133,851

159,541

211,955

3. Minor Equipment and Instruments

18,034

65,332

44,036

4. Utilities

56,575

65,653

59,529

5. Professional Fees

83,697

50,743

37,343

6. Sales Expense

4,037

3,075

19,131

7. Insurance

6,191

9,257

16,618

Total Other Expenses

\$ 459,931

\$ 486,138

\$ 548,785

- D. Complete Projected Data Charts on the ⁷⁰ following two pages – **Do not modify the Charts provided or submit Chart substitutions!**

The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the **Proposal Only** (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. **Only complete one chart if it suffices.**

Note that “Management Fees to Affiliates” should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. “Management Fees to Non-Affiliates” should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

RESPONSE: Please refer to the completed projected data chart for the Providence facility on the following pages.

PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in August (Month).

	<u>Year 2020</u>	<u>Year 2021</u>
A. Utilization Data (Specify unit of measure, e.g., 1,000 patient days, 500 visits) RESPONSE: Units of measure are surgical cases.	<u>2,504</u>	<u>3,869</u>
B. Revenue from Services to Patients		
1. Inpatient Services		
2. Outpatient Services	<u>\$28,775,968</u>	<u>\$45,793,484</u>
3. Emergency Services		
4. Other Operating Revenue (Specify) _____		
Gross Operating Revenue	<u>\$28,775,968</u>	<u>\$45,793,484</u>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	<u>\$23,786,354</u>	<u>\$ 37,693,120</u>
2. Provision for Charity Care		
3. Provisions for Bad Debt	<u>149,688</u>	<u>243,011</u>
Total Deductions	<u>\$23,936,042</u>	<u>\$ 37,936,131</u>
NET OPERATING REVENUE	<u>\$ 4,839,926</u>	<u>\$ 7,857,353</u>
D. Operating Expenses		
1. Salaries and Wages		
a. Direct Patient Care	<u>\$ 1,323,724</u>	<u>\$ 1,632,179</u>
b. Non-Patient Care		
2. Physician's Salaries and Wages		
3. Supplies	<u>1,151,304</u>	<u>1,867,768</u>
4. Rent		
a. Paid to Affiliates		
b. Paid to Non-Affiliates	<u>536,250</u>	<u>549,656</u>
5. Management Fees:		
a. Paid to Affiliates	<u>290,396</u>	<u>471,441</u>
b. Paid to Non-Affiliates		
6. Other Operating Expenses	<u>963,889</u>	<u>1,122,435</u>
Total Operating Expenses	<u>\$ 4,265,563</u>	<u>\$ 5,643,479</u>
E. Earnings Before Interest, Taxes and Depreciation	<u>\$ 574,363</u>	<u>\$ 2,213,874</u>
F. Non-Operating Expenses		
1. Taxes	<u>\$ 89,082</u>	<u>\$ 108,860</u>
2. Depreciation	<u>1,408,701</u>	<u>1,418,701</u>
3. Interest	<u>413,264</u>	<u>362,104</u>
4. Other Non-Operating Expenses		
Total Non-Operating Expenses	<u>\$ 1,911,047</u>	<u>\$ 1,889,665</u>
NET INCOME (LOSS)	<u>\$ (1,336,684)</u>	<u>\$ 324,209</u>

Chart Continues Onto Next Page

NET INCOME (LOSS)

\$ (1,336,684)

G. Other Deductions

1. Estimated Annual Principal Debt Repayment

\$ 776,007

\$ 819,780

2. Annual Capital Expenditure

Total Other Deductions

\$ 776,007

\$ 819,780

NET BALANCE

\$ (2,112,691)

\$ (495,571)

DEPRECIATION

1,408,701

1,418,701

FREE CASH FLOW (Net Balance + Depreciation)

\$ (703,990)

\$ 923,130

- ☒ Total Facility
☐ Project Only

PROJECTED DATA CHART-OTHER EXPENSES

OTHER EXPENSES CATEGORIES

Year 2020

Year 2021

- 1.
- Repair and Maintenance

\$ 259,800

\$ 267,300

- 2.
- Purchased Services

254,700

262,341

- 3.
- Billing Fees

193,597

314,294

- 4.
- Minor Equipment

40,000

41,000

- 5.
- Utilities

132,000

135,300

- 6.
- Professional Fees

35,000

35,875

- 7.
- Sales Expense

20,000

20,500

- 8.
- Insurance

28,792

45,825

Total Other Expenses

\$ 963,889

\$ 1,122,435

- E. 1) Please identify the project's average⁷³ gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

	Previous Year	Current Year	Year One	Year Two	% Change (Current Year to Year 2)
Gross Charge (<i>Gross Operating Revenue/Utilization Data</i>)	9,598	11,157	11,492	11,836	6.1%
Deduction from Revenue (<i>Total Deductions/Utilization Data</i>)	7,756	9,098	9,559	9,805	7.8%
Average Net Charge (<i>Net Operating Revenue/Utilization Data</i>)	1,842	2,059	1,933	2,031	-0.01%

- 2) Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

RESPONSE: Data in the table above begin in 2017 and end in 2021, covering a period of five years. As indicated in the table above, the cost for services (surgical cases) at Providence will be steady. The average Net Charge per case is stagnant from Current Year to Year Two.

- 3) Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE: Information is provided in **Tab 10, Attachment Section B-E3**. As an ASTC reimbursed as a freestanding ASC, Providence offers a clear cost advantage compared to hospital-based ASCs like Tenna Healthcare - Lebanon. This extends to patient co-payments and deductibles.

- F. 1) Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as **Attachment Section B-Economic Feasibility-F1**. **NOTE: Publicly held entities only need to reference their SEC filings.**

RESPONSE: As indicated in the Projected Data Chart, Providence is expected to be financially feasible in its second year of operation.

Audited financial statements are not available. Please refer to the SEC filing of Tenet Healthcare, the parent of USPI.

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- 2) Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

Year	2nd Year previous to Current Year	1st Year previous to Current Year	Current Year	Projected Year 1	Projected Year 2
Net Operating Margin Ratio	-9.2%	-9.8%	11.4%	12.2%	28.6%

- 3) Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt + Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

RESPONSE: Tenet, the parent of USPI is appropriately capitalized to undertake the proposed bed project. Please refer to the table below.

Tenet Capitalization Ratio Calculation

Dollars in (millions)	2017	2016
Long-term debt	\$ 14,791	\$ 15,064
Total net assets	\$ 539	\$ 1,082
Subtotal	\$ 15,330	\$ 16,146
Capitalization Ratio	96.5%	93.3%

Source: Audited Financial Statements, Consolidated Balance Sheet

- G. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

RESPONSE: Providence will maintain the same payor relationships, including contracts with Medicare and all TennCare MCOs, that are currently in place for Saint Thomas Health.

The payer mix for Year 1 of the proposed project⁷⁵ is shown in the following table.

Applicant's Payor Mix, Year 1

Payor Source	Projected Gross Operating Revenue	As a % of total
Medicare/Medicare Managed Care	\$5,333,948	18.54%
TennCare/Medicaid	\$4,879,552	16.96%
Commercial/Other Managed Care	\$13,888,478	48.26%
Self-Pay	\$75,261	0.26%
Other (Other gov't, Workers Comp)	\$4,598,729	15.98%
Total	\$28,775,968	100.0%

Source: Internal data

- H. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

RESPONSE: The following table compares the staffing (non-contract) for Providence before and after the proposed relocation. Providence provides competitive compensation for its employees.

Position Classification	Existing FTEs 2019	Projected FTEs Year 2* 2021	Average Wage (Contractual Rate) 2021	Area Wide/Statewide Average Wage*
A. Direct Patient Care Positions				
RNs	9.0	9.0	32.96	29.96
LPNs				
Tech	2.0	5.0	26.57	22.47
Rec Therapists				
Manager		1.0	47.04	N/A
Total Direct Patient Care Positions	11.0	15.0		
B. Non-Patient Care Positions				
Management	1.5	2.0	N/A	N/A
Administration	2.0	2.0	17.00	
Total Non-Patient Care Positions	3.5	4.0		
Total Employees (A+B)	14.5	19.0		
C. Contractual Staff	0.0	0.0		
Total Staff (A+B+C)	14.5	19.0		

Source: US Bureau of Labor Statistics, Nashville MSA, 2017
Note: Year 2 projections used due to ramp up in Year 1

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I. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- 1) Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

RESPONSE: Approval as a multispecialty ASTC in December 2016 has increased the number and diversity of surgical cases at Providence. Due to the lack of adjacent space for expansion/renovation, relocation is the only viable option.

- 2) Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

RESPONSE: As stated above, approval as a multispecialty ASTC in December 2016 has increased the number and diversity of surgical cases at Providence. Due to the lack of adjacent space for expansion/renovation, relocation is the only viable option.

SECTION B: CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

- A. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as, transfer agreements, contractual agreements for health services.

RESPONSE: Providence Surgery Center has many active managed care contracts in place to provide for seamless care of its patients, including:

- Aetna
- Americhoice TennCare
- Amerigroup TennCare
- Beech Street
- Bluegrass Family Health Plan
- Blue Cross Blue Shield – TN – Ntwk P & S
- BlueCare/TennCare Select
- Bridgestone Firestone – WC arrangement
- Center Care Network
- Cigna HMO, POS, & PPO / Med Solutions
- Corvel
- Coventry / First Health
- Health Payors Organizations (HPO)
- HealthSpring HMO / Medicare Advantage
- Humana – Military – Tricare Prime
- Humana – all products
- Nissan – Work Comp arrangement
- Orchid Medical – Work Comp
- Prime Health
- Multiplan / Private Healthcare Systems
- Novanet – all products
- Signature Health Alliance – access through Bluegrass

- United Healthcare – all products
- USA Managed Care
- Windsor Health Plan of TN – MEDICARE EXTRA

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B. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition and/or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

1) Positive Effects

RESPONSE: Consistent with its prior CON approvals (CN0411-103, CN1006-028 and CN1608-031) to improve patient access, Providence is now seeking approval for its relocation to correct facility deficiencies due to a growing and more diverse case mix.

- Providence has a noteworthy history of providing care to both Medicare and TennCare MCO patients.
- Providence is the only multispecialty ASTC in Wilson County.
- The two existing ASTCs in Wilson County are restricted to only two specialties – gastroenterology and ophthalmology.
- The only hospital-based outpatient operating rooms in Wilson County (Tennova Healthcare – Lebanon with four ORs) reported 1,115 cases per OR in 2017 and are very highly utilized. Being hospital-based, they are also much more expensive than Providence's ASTC services which are billed at lower non-hospital rates.
- Mt. Juliet is the most populous and fastest growing city in Wilson County.
- Patients and payers will continue to benefit from Providence's lower cost freestanding ASTC rates compared to a higher cost hospital-based ambulatory surgery center.

2) Negative Effects

RESPONSE: The proposed project will not have a negative effect on existing providers.

C. 1) Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements and/or requirements of accrediting agencies, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

RESPONSE: A number of channels are utilized to increase and maintain staffing, including in-house listings of available positions, advertisements in local and regional newspapers, advertisements in professional publications, and recruiting firms. Saint Thomas Health, United Surgical Partners International and Providence all have a history of successfully recruiting professional and administrative staff. They provide competitive compensation and benefits and are committed to the retention of existing personnel.

- 2) Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

RESPONSE: Providence has reviewed and understands the licensure and certification requirements for medical and clinical staff. As an existing licensed and accredited facility, Providence has administrative policies and procedures in place to ensure that licensure and certification requirements are followed. Furthermore, Providence maintains quality standards that are focused on continual improvement.

- 3) Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

RESPONSE: Although Saint Thomas Health is actively involved in these activities, the Providence project is not expected to play a major role.

- D. Identify the type of licensure and certification requirements applicable and verify the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: TDOH Board for Licensing Health Care Facilities

Certification Type (e.g. Medicare SNF, Medicare LTAC, etc.): TDOH Medicare, TennCare

Accreditation (i.e., Joint Commission, CARF, etc.): The Joint Commission

RESPONSE: Providence is already an existing ASTC and is affiliated with a network of ASTCs. It understands the licensure and certification requirements for medical and clinical staff.

- 1) If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

RESPONSE: See Tab 11, Attachment Section B-D1 for a copy of the current license and accreditation documentation for Providence.

- 2) For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected by providing a letter from the appropriate agency.

RESPONSE: Not applicable.

- 3) Document and explain inspections within the last three survey cycles which have resulted in any of the following state, federal, or accrediting body actions: suspension of admissions,

civil monetary penalties, notice of ⁷⁹~~23~~-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions.

- a) Discuss what measures the applicant has or will put in place to avoid similar findings in the future.

RESPONSE: Not applicable.

E. Respond to all of the following and for such occurrences, identify, explain and provide documentation:

1) Has any of the following:

- a) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
- b) Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or
- c) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%.

RESPONSE: Acknowledged. Entities and persons with more than 5% ownership in the Providence are: medical office building developer Robert Biscan, 37.77%, and Saint Thomas/USP Surgery Centers, LLC, 36.67%. The remaining ownership interests are distributed among various physicians with no entity having 5.0% or more ownership share.

2) Been subjected to any of the following:

- a) Final Order or Judgment in a state licensure action;
- b) Criminal fines in cases involving a Federal or State health care offense;
- c) Civil monetary penalties in cases involving a Federal or State health care offense;
- d) Administrative monetary penalties in cases involving a Federal or State health care offense;
- e) Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services; and/or
- f) Suspension or termination of participation in Medicare or Medicaid/TennCare programs.
- g) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware.
- h) Is presently subject to a corporate integrity agreement.

RESPONSE: USP Holding Company, Inc. is a majority owned subsidiary of Tenet (95%). USPI Holding Company, Inc., through various entities, indirectly owns 100% of USP Tennessee, Inc. On September 30, 2016, a subsidiary of Tenet, Tenet HealthSystem Medical, Inc., entered into a Non-Prosecution Agreement with the Department of Justice and the United States Attorney's Office for the Northern District of Georgia. Please reference the link below for more details.

<https://www.sec.gov/Archives/edgar/data/70318/000119312516728855/d192978d8k.htm>

- 1) Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and

<u>Outstanding Projects</u>					
<u>CON Number</u>	<u>Project Name</u>	<u>Date Approved</u>	<u>*Annual Progress Report(s)</u>		<u>Expiration Date</u>
			<u>Due Date</u>	<u>Date Filed</u>	
CN1701-003	Premier Radiology	4/26/2017			6/1/19
CN1706-020	Saint Thomas Highlands Hospital	10/25/17			12/1/2020
CN1707-021	Saint Thomas Rutherford Hospital	10/25/17			12/1/2020
CN1707-022	Saint Thomas Surgery Center – New Salem	10/25/17			12/1/2019

* Annual Progress Reports – HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.

- 2) Provide a brief description of the current progress, and status of each applicable outstanding CON.

RESPONSE: Individual project responses follow:

- CN1701-003, Premier Radiology – Construction for the MRI & CT rooms is complete. The initial building survey was conducted March 16, 2018. Health and Life Safety surveys are pending.
- CN1706-070, Saint Thomas Highlands Hospital – Architectural plans have been reviewed and approved by the State Department of Health. Construction contracts have been bid and work on the project is expected to start on April 23, 2018.
- CN1707-021, Saint Thomas Rutherford Hospital – Architectural plans are being reviewed in conjunction with the construction company. Project remains on time and on budget. Construction is expected to begin October 2018.

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- CN1707-022, Saint Thomas Surgery Center, New Salem – Final land acquisition was completed March 19, 2018, clearing the way for further development.

G. Equipment Registry – For the applicant and all entities in common ownership with the applicant.

- 1) Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)? Yes, Saint Thomas Health is a joint venture owner in Middle Tennessee Imaging
- 2) If yes, have you submitted their registration to HSDA? If you have, what was the date of submission? Yes, various dates.
- 3) If yes, have you submitted your utilization to Health Services and Development Agency? If you have, what was the date of submission? Yes, various dates.

Please verify that the applicant will report annually using forms prescribed by the Agency concerning continued need and appropriate quality measures as determined by the Agency pertaining to the certificate of need, if approved.

RESPONSE: Yes, Providence will continue to provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number, and type of procedures performed, and other data as required.

Please verify and acknowledge the applicant will be evaluated annually on whether the proposal will provide health care that meets appropriate quality standards upon the following factors:

- (a) Whether the applicant commits to maintaining an actual payor mix that is comparable to the payor mix projected in its CON application, particularly as it relates to Medicare, TennCare/Medicaid, Charity Care, and the Medically Indigent;
- (b) Whether the applicant commits to maintaining staffing comparable to the staffing chart presented in its CON application;
- (c) Whether the applicant will obtain and maintain all applicable state licenses in good standing;
- (d) Whether the applicant will obtain and maintain TennCare and Medicare certification(s), if participation in such programs was indicated in the application;
- (e) Whether an existing healthcare institution applying for a CON has maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action shall be considered;
- (f) Whether an existing health care institution applying for a CON has been decertified within the prior three years. This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility;
- (g) Whether the applicant will participate, within 2 years of implementation of the project, in self-assessment and external peer assessment processes used by health care organizations to accurately assess their level of performance in relation to established standards and to implement ways to continuously improve.
- (h) Whether the applicant will participate, within 2 years of implementation of the project, in self-assessment and external peer assessment processes used by health care organizations to accurately assess their level of performance in relation to established standards and to implement ways to continuously improve.
 - 1. This may include accreditation by any organization approved by Centers for Medicare and Medicaid Services (CMS) and other nationally recognized programs. The Joint Commission or its successor, for example, would be acceptable if applicable.

RESPONSE: The applicant has verified and acknowledges that it will be evaluated annually whether the proposal will provide health care that meets appropriate quality standards in items (14)(a) through (14)(h), as provided above.

SECTION C: STATE HEALTH PLAN QUESTIONS

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/health/topic/health-planning>). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

- A. The purpose of the State Health Plan is to improve the health of the people of Tennessee.

RESPONSE: Among the top 10 leading causes of death for Tennessee residents are cancer and accidents. Surgical services proposed by Providence will help in the treatment of these two leading causes of death plus the morbidity associated with orthopedic and other diseases.

- B. People in Tennessee should have access to health care and the conditions to achieve optimal health.

RESPONSE: Among the three criteria required to attain good access, as listed in the 2010 National Health Disparities Report, is, "getting access to sites of care where patients can receive needed services." The proposed Providence relocation is designed to, among other goals, increase patient accessibility by expanding ASTC services without increasing the number of ORs (e.g., increasing support space).

- C. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.

RESPONSE: Recognizing the benefits of outpatient surgery centers such as Providence, Saint Thomas Health is actively involved in 14 other similar joint ventures with United Surgical Partners International throughout the greater Nashville area. (See **Tab 13**).

As documented in the Medicare pricing differential rates (**Tab 10**), freestanding ASCs were reimbursed at about half the rate as hospital-based facilities. This has a direct impact on patient deductibles and co-payments as well. Since Medicare rates often form a basis for third-party reimbursement, the impact of this differential on the service area population is even more widespread.

- D. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.

RESPONSE: As an existing licensed and accredited provider of quality patient services, without regard to patient gender, ethnicity, geographic location or socioeconomic status, Saint Thomas Health and Providence are equitable healthcare providers. This same level of commitment will continue with the proposed relocation.

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- E. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.

RESPONSE: While “the state” appears to be the party charged with supporting the development, recruitment, and retention of a sufficient and quality health care workforce, Providence is an existing healthcare facility with a history of successful staff recruitment and retention.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.

RESPONSE: Please see Tab 14 – HSDA Letter of Intent and Tab 15 – Proof of Publication.

NOTIFICATION REQUIREMENTS

(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction)

Note that T.C.A. §68-11-1607(c)(9)(A) states that "...Within ten (10) days of the filing of an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution-based treatment center for opiate addiction has been filed with the agency by the applicant."

Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Please provide documentation of these notifications.

DEVELOPMENT SCHEDULE

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the "good cause" for such an extension.

RESPONSE: Please see the project forecast completion chart, below.

87 PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

Phase	Days Required	Anticipated Date [Month/Year]
1. Initial HSDA decision date		06/2019
2. Architectural and engineering contract signed	10	06/2019
3. Construction documents approved by the Tennessee Department of Health	120	10/2019
4. Construction contract signed	10	11/2019
5. Building permit secured	20	12/2019
6. Site preparation completed	75	02/2020
7. Building construction commenced	5	02/2020
8. Construction 40% complete	90	05/2020
9. Construction 80% complete	90	07/2020
10. Construction 100% complete (approved for occupancy)	50	08/2020
11. *Issuance of License	10	08/2020
12. *Issuance of Service	10	08/2020
13. Final Architectural Certification of Payment	30	09/2020
14. Final Project Report Form submitted (Form HR0055)	30	10/2020

*For projects that **DO NOT** involve construction or renovation, complete Items 11 & 12 only.

NOTE: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date

AFFIDAVITSTATE OF TennesseeCOUNTY OF Davidson

M. Corey Ridgway, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. §68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

M. Corey Ridgway Market President
SIGNATURE/TITLE

Sworn to and subscribed before me this 8th day of March, 2019 a Notary
(Month) (Year)

Public in and for the County/State of Davidson, TN.

Lori Marlar
NOTARY PUBLIC

My commission expires September 6, 2022.
(Month/Day) (Year)



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Section B Attachments

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- Tab 11 - License and Accreditation

- Tab 12 - Carafem Document
- Tab 13 - Saint Thomas ASTC Network
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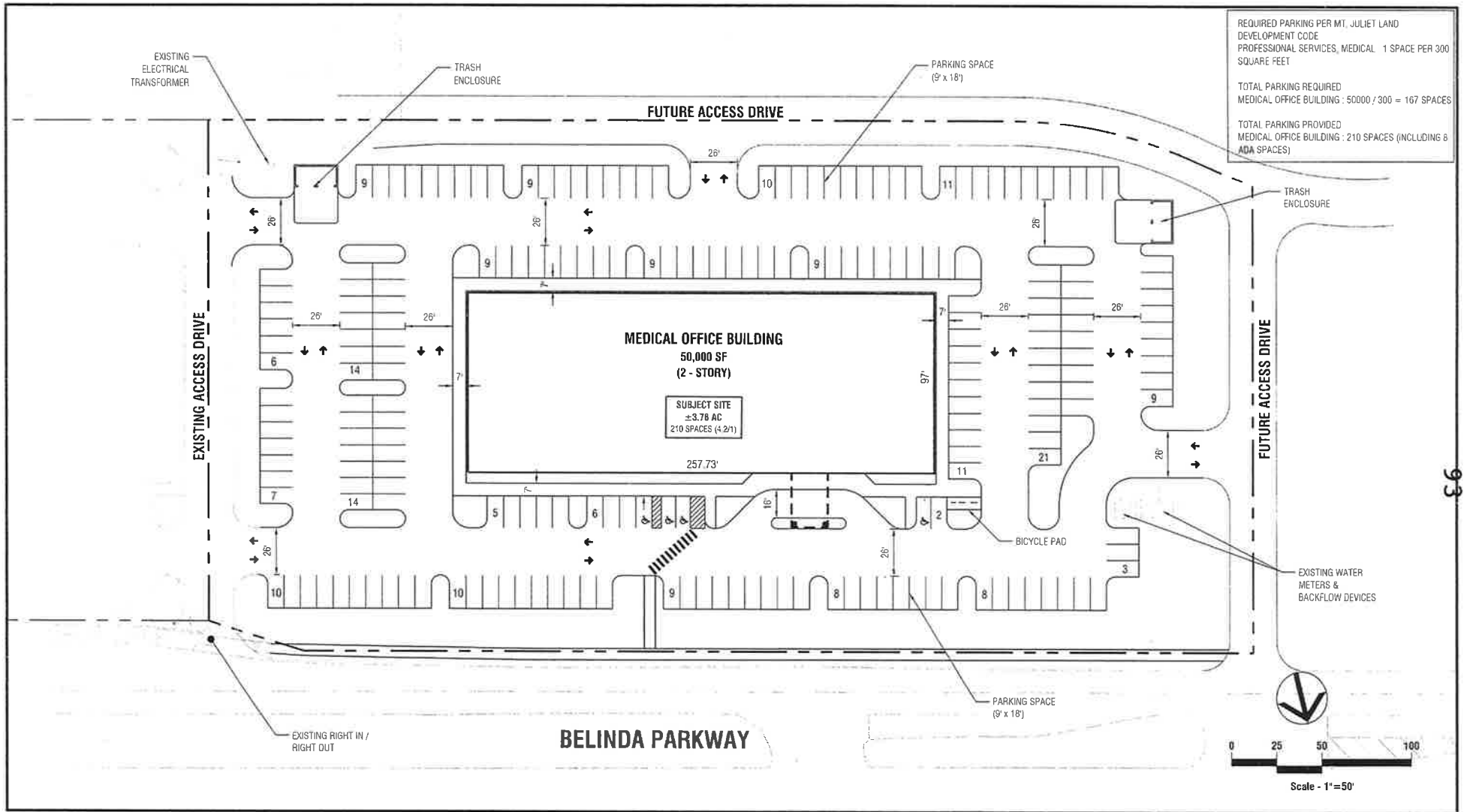
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Tab 5

Attachment Section A-6B-1

Plot Plan



CASSETTY
ARCHITECTS

**PROPOSED
MEDICAL OFFICE BUILDING**
BELINDA PARKWAY
MT. JULIET, TENNESSEE

SCALE:	1"=50'	PRELIMINARY SITE PLAN
DATE:	03-01-19	
REV:		
CASSETTY ARCHITECTS		SP-01

Tab 6

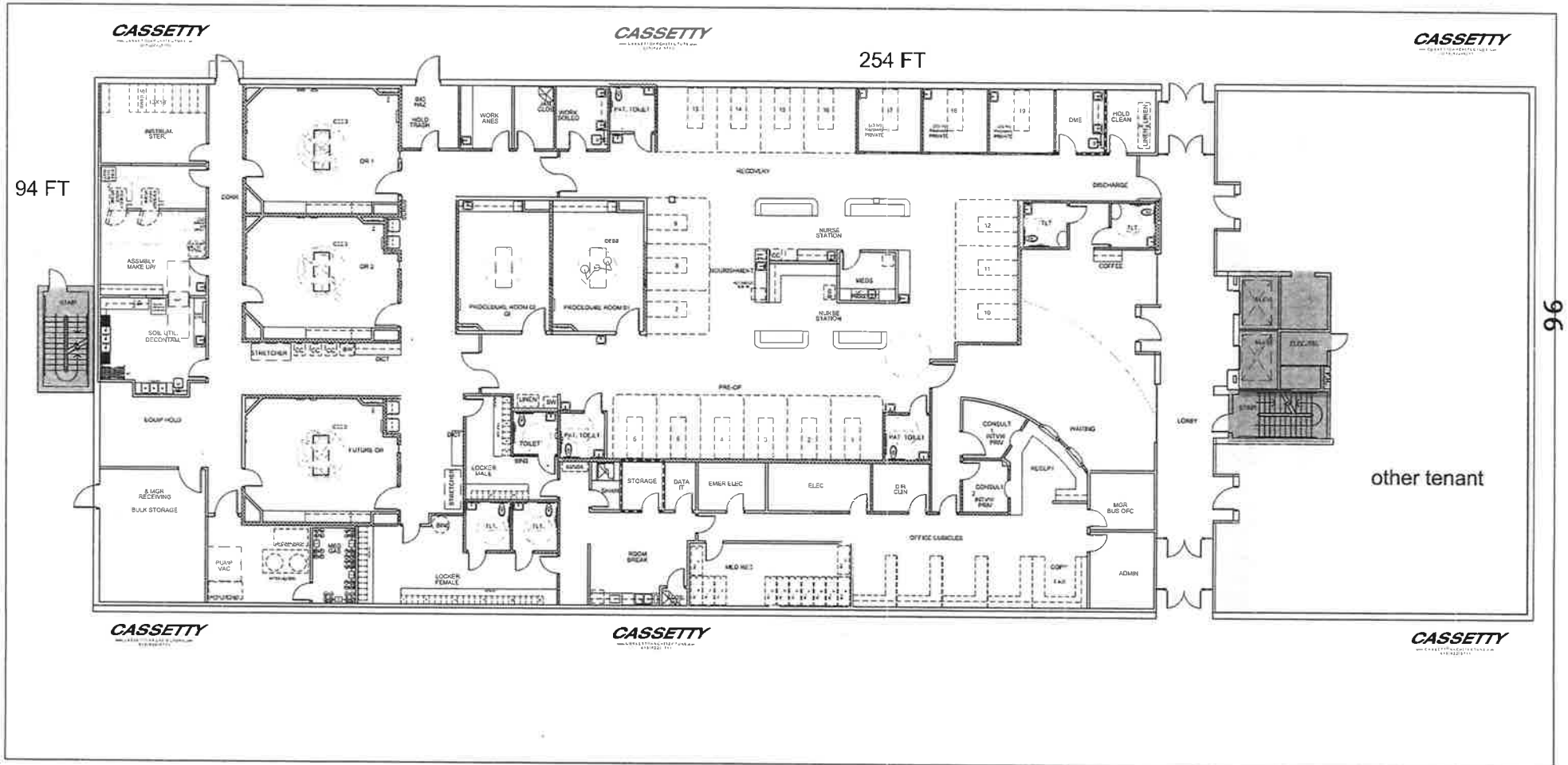
Attachment Section A-6B-2

Floor Plan

2

3

4



MT. JULIET ASC - CONCEPT PLAN
 2 O.R. and 2 Procedure rooms

Tab 7

Attachment Section A-6B-3

Service Area Access Maps

Google Maps providence surgery center



Imagery ©2019 Google, Map data ©2019 Google 500 ft



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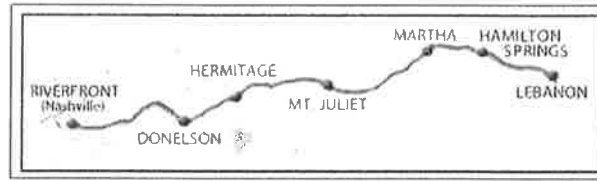
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RTA Train Stations



Riverfront Station

Riverfront Station is the destination station for the Music City Star regional train. It is located at 108 1st Avenue South in downtown Nashville at the foot of Broadway, adjacent to the Flag Court and the Shelby Street Pedestrian Bridge. The station does not include parking facilities; however, space is incorporated into the facility to accommodate efficient connections between regional rail and WeGo Public Transit bus services. Complimentary bus service is provided from the station to nearby areas.



Donelson Station

Donelson Station is located at 2705 Lebanon Pike. It is directly north of the intersection of Donelson Pike and Bluefield Avenue and is adjacent to Fifty Forward with direct access to the Park & Ride lot from Donelson Pike. Route 6 Lebanon Pike and Route 34 Opry Mills buses operated by WeGo Public Transit also serve the Park & Ride lot. Approximately 230 parking spaces are provided.



Hermitage Station

Hermitage Station is located at 4121 Andrew Jackson Parkway. It is directly off of Andrew Jackson Parkway near Old Hickory Boulevard. Route 6 Lebanon Pike buses operated by WeGo Public Transit also serve the Park & Ride lot. Approximately 280 parking spaces are provided.



Mt. Juliet Station

Mt. Juliet Station is located at 22 East Division Street. Approximately 220 parking spaces are provided and has direct access from Division Street.



Martha Station

Martha Station is located at 65 Martha Circle (State Route 109 and Powell Grove Road) in Lebanon. It opened as a temporary station when Music City Star service first began due to pending track realignment for improvements to Highway 109. Construction of the permanent station began in December 2009 and was completed in February 2011. Approximately 74 parking spaces are provided.



Hamilton Springs

Hamilton Springs Station is located at 1000 Gaston Park Drive in Lebanon. It is the centerpiece of the first transit-oriented development in Tennessee. Approximately 182 parking spaces are provided.



Lebanon Station

Lebanon Station is the origination point for the Music City Star's East Corridor Regional Rail line. It is located at 334 W. Baddour Parkway. Early morning train service begins here and makes stops at the other stations along the route before arriving at Riverfront Station in downtown Nashville. Lebanon Station is located on an old factory site, which is bordered by Baddour Parkway, Greenwood Street and Hill Street. Approximately 140 parking spaces are provided with direct access off of Baddour Parkway.



Regional Transportation Authority of Middle Tennessee

430 Myatt Drive - Nashville, TN 37115 phone: (615) 862-8833 fax: (615) 862-6208 email: rta@nashville.gov

In association with the Tennessee Department of Transportation, FTA (Federal Transit Administration), and MPO (Metropolitan Planning Organization)
 RTA is a Clean Air Partner of Middle Tennessee and a Clean Air Partner of Williamson County
 ©2011-2019 Regional Transportation Authority of Middle Tennessee

Tab 8

Attachment Section A-12
Architect Cost Certification Letter



February 8, 2019

Ms. Susan Gant
USPI
20 Burton Hills Blvd. Suite 210
Nashville, TN 37203

Re: **Reasonability of Scope and Project Cost for New Surgery Center**
Tenant Improvement
Belinda Parkway, Mt. Juliet, TN
Architect's Project No. 0319

Dear Ms. Gant:

Please accept this letter as an opinion of likely project cost planned for the proposed center and general overall description of the project scope. Our intent with this letter is to address the submission to the state for Certificate of Need application.

PROJECT BUDGET:

Based on preliminary studies conducted for CON preparations the total project costs for the project are Construction \$4,867,500.00 (\$295/SF) and Architect/Engineering professional services fee of \$341,000.00.

Based on our firm's experience with projects of this size and type planned for the new ambulatory surgery center, and our data related to project construction cost for this geographic area, it is our opinion that the project construction cost and associated architect's/engineer's fees are reasonable and appropriate and will allow the owner to create a high-quality facility.

PROJECT DESCRIPTION - CODE COMPLIANCE:

The project for the surgery center will be housed in a new medical office building. 16,500 SF is planned for the surgery center, which will include two (2) operating rooms, and two (2) procedure rooms and ancillary support spaces.

The facility will be designed to meet local, state and federal standards and regulations, including the adopted edition of the FGI Guidelines for Design and Construction of Health Care Facilities.

Sincerely,

Cassetty Architecture PC
Clint Cassetty, President
TN Architect's License #00100605

copy: file – Agency

Section B

Tab 9 - Funding Letters

Tab 10 - ASTC Cost Savings

Tab 11 - License and Accreditation

Tab 12 - Carafem Document

Tab 13 - Saint Thomas ASTC Network

Tab 14 - HSDA Letter of Intent

Tab 15 - Evidence of Publication

Tab 9

Attachment Section B-B1

Funding Letters

Tab 10

Attachment Section B-E3

ASTC Cost Savings

CPT	Description	Avg Commercial ASC	Est. Avg Commercial HOPD	Medicare	Medicare HOPD
42826	Removal of tonsils	\$ 2,767	\$ 3,432	\$ 855	\$ 1,946
42820	Remove tonsils and adenoids	\$ 2,568	\$ 3,185	\$ 855	\$ 1,946
69436	Create eardrum opening	\$ 1,792	\$ 2,222	\$ 855	\$ 1,267
49505	Prp i/hern init reduc >5 yr	\$ 2,719	\$ 3,371	\$ 1,382	\$ 2,675
58671	Laparoscopy tubal block	\$ 2,987	\$ 3,704	\$ 1,902	\$ 3,779
36561	Insert tunneled cv cath	\$ 2,367	\$ 2,935	\$ 1,188	\$ 2,236
45378	Diagnostic colonoscopy	\$ 1,607	\$ 1,992	\$ 398	\$ 790
43239	Upper gi endoscopy biopsy	\$ 1,607	\$ 1,992	\$ 394	\$ 746
59820	Care of miscarriage	\$ 2,397	\$ 2,972	\$ 984	\$ 1,846
58671	Laparoscopy tubal block	\$ 2,987	\$ 3,704	\$ 1,902	\$ 3,779
58558	Hysteroscopy biopsy	\$ 1,954	\$ 2,423	\$ 984	\$ 1,846
15823	Revision of upper eyelid	\$ 2,302	\$ 2,855	\$ 746	\$ 1,407
66984	Cataract surg w/iol 1 stage	\$ 3,258	\$ 4,041	\$ 923	\$ 1,753
64721	Carpal tunnel surgery	\$ 1,768	\$ 2,193	\$ 736	\$ 1,384
29881	Knee arthroscopy/surgery	\$ 2,719	\$ 3,371	\$ 1,267	\$ 2,152
28080	Removal of foot lesion	\$ 1,954	\$ 2,423	\$ 770	\$ 1,744
28296	Correction of bunion	\$ 2,403	\$ 2,980	\$ 1,267	\$ 2,676
28285	Repair of hammertoe	\$ 2,197	\$ 2,725	\$ 770	\$ 1,744

Tab 11

Attachment Section B-D1
License and Accreditation

Board for Licensing Health Care Facilities

State of  Tennessee

License No. 0000000199

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to
TENN SM, LLC *to conduct and maintain*

an Ambulatory Surgical Treatment Center PROVIDENCE SURGERY CENTER

Located at 5002 CROSSING CIRCLE, SUITE 110, MOUNT JULIET

County of WILSON, *Tennessee.*

This license shall expire MAY 30, 2019, *and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*
In Witness Whereof, we have hereunto set our hand and seal of the State this 3RD *day of* MAY, 2018.
In the Speciality(ies) of: ORTHOPEDICS
PAIN MANAGEMENT AND REHABILITATION



By Vincent J. Davis, MPH
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By [Signature]
COMMISSIONER



August 17, 2018

Jason Beam
Administrator
Providence Surgery Center
5002 Crossings Circle, Suite 110
Mount Juliet, TN 37122

Joint Commission ID #: 485391
Program: Ambulatory Health Care Accreditation
Accreditation Activity: Evidence of Standards Compliance
Accreditation Activity Completed : 8/17/2018

Dear Mr. Beam:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- **Comprehensive Accreditation Manual for Ambulatory Health Care**

This accreditation cycle is effective beginning June 6, 2018 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

Tab 12

Carafem Document



(855)-SAY-CARA

SCHEDULE ONLINE

My carafem

carafem Opens Doors in the Nashville, Tennessee Area

carafem | February 28, 2019 |

245



With the last abortion provider in Nashville pausing their abortion care last fall, we wanted to act as quickly as possible to help people in the Nashville area get the abortion care they need. We've already seen an increase in clients from Tennessee traveling to our Atlanta, Georgia location, and wanted to provide a more convenient solution for these clients.

In light of this, carafem announced the opening of a new office in Mt. Juliet (just east of Nashville) to provide abortion care up to 10 weeks with the abortion pill. We will also offer birth control options, such as Depo Provera shots, birth control pills, condoms, IUDs, implants, and emergency contraception.

Serving More in the South.

When researching locations to open a health center, carafem has always found the Midwest and the South to be two areas that greatly lack access to abortion and reproductive healthcare. And from our work in Georgia, we know many people have to travel great distances to receive reproductive health care. With that in mind, one of the reasons carafem picked the Nashville area is due to the extremely limited number of providers and its proximity to Kentucky, where there is only one abortion care provider in the whole state. One of the main goals of carafem is to increase access to compassionate and convenient abortion care and with the news of clinics closing or suspending abortion care services, it was clear that the Nashville area was in need.

Abortion Care in Tennessee

Our new office will provide early abortion care up to 10 weeks with the abortion pill. The center will also offer a selection of birth control options — such as Depo Provera shots, birth control pills, condoms, IUDs, implants, and emergency contraception.

In the following months, carafem will expand services to include the carafem procedure and STI testing and treatment.

Focus on Clients

We will continue to prioritize our clients and the experience that carafem is known for. Things like a focus on the individual needs of each and every client, and a bold and unapologetic voice when providing accurate information about

abortion care. To help with the need for privacy, which has been shared by our clients, we schedule one person at a time and strive to ensure you won't see other people during your visit. Individual appointments provide the most comfortable, positive, and private visit possible. We're also proud to offer:

- Appointments that average 60 minutes or less
- Flexible appointment times including evenings and weekends
- Scheduling one client at a time to ensure individual attention and care
- Greater privacy of a small office located within a larger medical complex

Want to help? Make a donation, share this blog far and wide, and follow us on social media!

Do you have questions or want to schedule an appointment? Call us at 1-(877) 869-7541.

Filed in: [Abortion](#), [Blog](#)

Tagged: [carafem](#), [Nashville](#)

[« Previous Post](#)

[carafem's "I Choose" Advertising Campaign is Live!](#)

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Atlanta, Georgia
1800 Peachtree St NW, Suite 800
Atlanta, Georgia 30309

BOOK APPOINTMENT

500? Crossings Circle, Suite 330
Mt Juliet, Tennessee 37122

Chevy Chase, Maryland
5530 Wisconsin Ave, Suite 1200
Chevy Chase, Maryland 20815

BOOK APPOINTMENT

Skokie, Illinois
4711 Golf Rd, Suite 920
Skokie, Illinois 60076

BOOK APPOINTMENT

New Nashville clinic seeks to 'de-stigmatize' abortion

By *KIMBERLEE KRUESI*

NASHVILLE, Tenn. (AP) — A health care company known for its outspoken support of a woman's legal right to an abortion is setting up shop in Nashville.

After launching clinics in the Washington, D.C., area, Atlanta and Chicago, Carafem will open its Nashville location Friday. Their marketing slogan captures part of their no-nonsense approach to the procedure: "Abortion. Yeah, we do that."

"There have been more and more challenges to make sure women don't have the option to get an abortion. We of course believe the choice is simple - it's health care," said Melissa Grant, Carafem's chief operating officer, in a telephone interview with The Associated Press. "We need to be there for them."

The move comes after the only remaining clinic offering abortion services in Nashville temporarily stopped last year. The clinic's suspension of abortion services sparked concerns about women's access to the procedure in a Republican-dominated state where GOP lawmakers have fought to make the procedure more difficult to obtain.

Most recently, a bill that would ban most women from obtaining abortions once a fetus' heartbeat is detected — usually around six weeks — has won enthusiastic support from Gov. Bill Lee and other Republican leaders despite warnings about the proposal's chances of surviving a legal challenge.

"We certainly know that abortion itself can be controversial but we know there's nothing controversial to offering health care to women," Grant said.

Carafem's launch in Tennessee was partly motivated after the company's Atlanta clinic saw an uptick in clients when Nashville's Planned Parenthood location briefly stopping abortion services in December. Planned Parenthood had been the only health care center to offer abortion services in the booming southern region of Tennessee ever since another Nashville provider — The Women's Center — abruptly closed after its building was sold and has yet to reopen despite claims it was looking for a new location.

During Planned Parenthood's abortion service pause, Carafem noticed that during January the average woman coming to Atlanta had traveled an average of 250 miles. Approximately 5 percent of the clientele came from Tennessee. Planned Parenthood had referred patients to clinics in Knoxville and Memphis, which are almost 200 miles (321 kilometers) way from Nashville. Atlanta is roughly the same distance.

For Grant, that solidified the need to open a Nashville location.

Carafem says a medical abortion costs \$600 and a typical appointment lasts about one hour or less. Surgical abortions may be offered at a later date.

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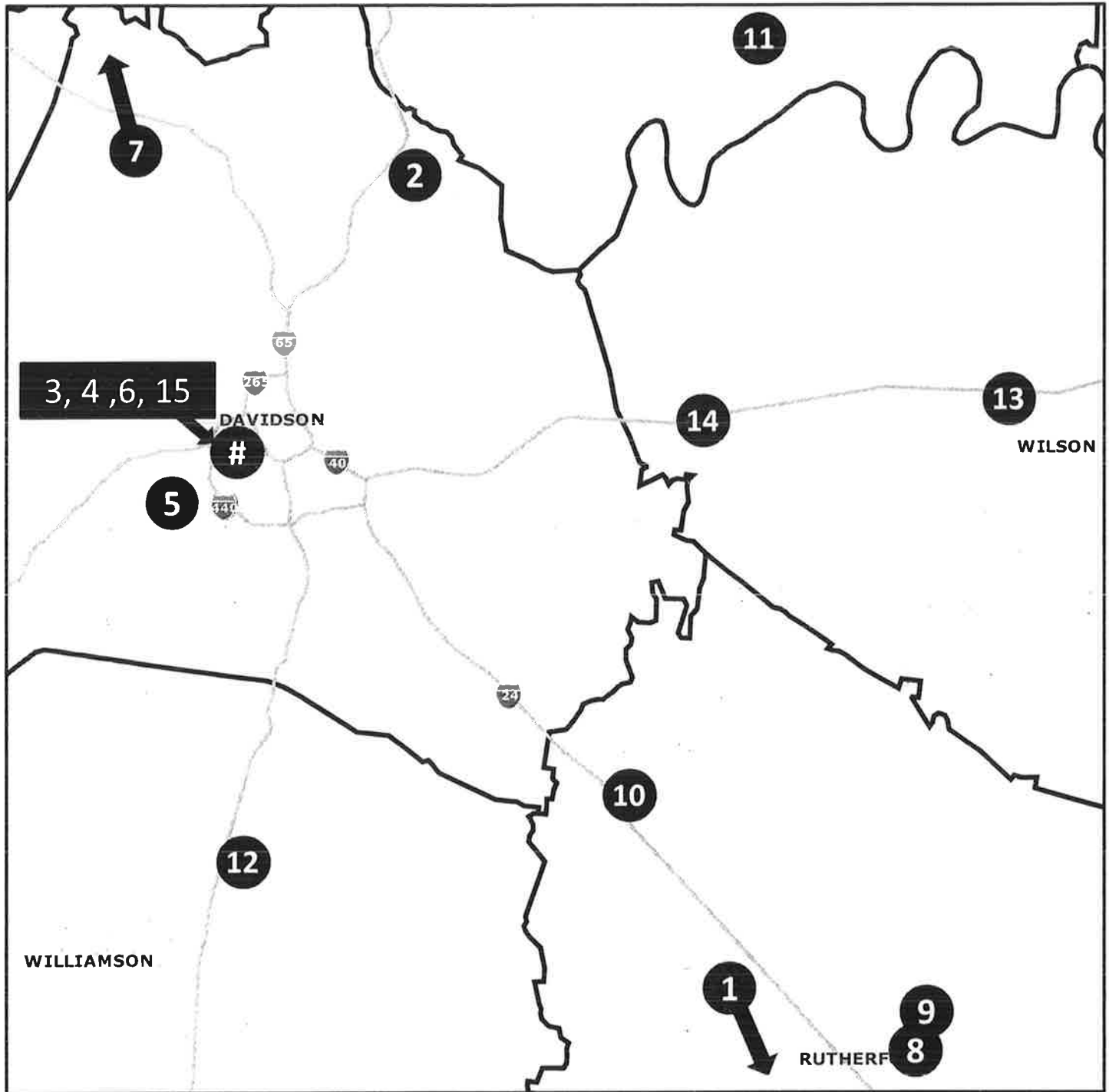
According to the Tennessee Department of Health Services, roughly 8,600 abortions were performed in Tennessee in 2017. That's down from 14,250 in 2008.

Follow Kimberlee Kruesi on Twitter at <https://twitter.com/kkruesi>

Tab 13

Saint Thomas ASTC Network

Saint Thomas/USPI Ambulatory Surgery Center Locations



ID Facility

ID Facility

- 1 Tullahoma Ambulatory Surgery (Not pictured)
- 2 Northridge Surgery Center
- 3 Baptist Plaza Surgicare
- 4 Baptist Ambulatory Surgery Center
- 5 Saint Thomas Surgicare
- 6 Eye Surgery Center of Nashville
- 7 Clarksville Surgery Center (Not pictured)
- 8 Middle Tennessee Ambulatory Surgery Center

- 9 Mid-State Endoscopy Center
- 10 Physicians Pavilion Surgery Center
- 11 Patient Partners Surgery Center
- 12 Franklin Surgery Center
- 13 Lebanon Endoscopy Center
- 14 Providence Surgery Center
- 15 Premier Radiology Pain Management Center

Tab 14

HSDA Letter of Intent



**State of Tennessee
Health Services and Development Agency**

Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the Tennessean which is a newspaper
(Name of Newspaper)
of general circulation in Davidson/Wilson, Tennessee, on or before 03/08, 2019,
(County) (Month / day) (Year)
for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that:

Tenn SM, LLC d/b/a Providence Surgery Center
(Name of Applicant)

multi-specialty ambulatory surgery treatment center
(Facility Type-Existing)

owned by: Tenn SM, LLC with an ownership type of limited liability company
and to be managed by: USP Tennessee, Inc. intends to file an application for a Certificate of Need for
[PROJECT DESCRIPTION BEGINS HERE]: the relocation of the existing Providence Surgery Center, a multispecialty ambulatory surgery treatment center, to a to be constructed building approximately a mile away to the southwest corner of the Belinda Pkwy and Providence Trail intersection in Mt. Juliet, TN 37122 (Wilson County). The new location will add an additional procedure room for a total of two operating rooms and two procedure rooms. The project involves the build out of 16,500 square feet of space. Total project costs are estimated to be \$8,082,908, including future facility lease payments.

The anticipated date of filing the application is: March 13, 2019

The contact person for this project is Corey Ridgway Market President
(Contact Name) (Title)

who may be reached at: United Surgical Partners International 20 Burton Hills Boulevard, Suite 210
(Company Name) (Address)

Nashville TN 37215 615 / 376-7300
(City) (State) (Zip Code) (Area Code / Phone Number)
[Signature] 3/8/19 CRidgway@uspi.com
(Signature) (Date) (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

**Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243**

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Tab 15

Evidence of Publication

Pay back \$35K. 615-987-2764.
vreamer11936@gmail.com

SCOTT ANTIQUE MARKETS
March 7th, 8th, 9th & 10th.
3500 Exhibit Bldg., Atlanta Expo
Centers, 1-285, Exit 55 (Jonesboro Rd.),
www.scottantiquemarkets.com.
2nd weekend monthly, submit for
\$1 off admission for one person

WE BUY JUNK CARS. Any condition.
We pickup. \$1-500. (615)935-5023
janzen119@gmail.com

Woodlawn Cemetery - 1 plot Serm on
the mount, lot 55B \$1 \$1,999. 615-905-8911

Woodlawn Memorial, 6 adjacent plots.
Fountain Gardens "E". Lot 20. Selling
all or in pairs \$3500 each. Seller pays
\$395 Transfer Fee. Call: 615-390-0275

Tickets

TENNESSEE TITAN SEASON
SEATS: PRIME LOCATION, SECT. 136
40 YARD LINE SEATS 1316. PARK-
ING PASS LOT A. \$16,000 B/O
Will Divide. Call 731-607-1685

ATTENTION!

Titans PSL, 3 Titans PSL for sale. Club
Level, section 202. \$1500 for all.
(615)300-4501 evanscape@comcast.net

Wanted to Buy

RECORDS & CDs WANTED-LPs/45s/78s
Personal & DJ Collections/Promo Items
Old Stock etc. CASH PAID. 615-256-5763

With
The Tennessean Classifieds,
your merchandise is as good
as gone. Call 242-SALE today.

Riverside - Furnished &
unfurnished, wkly/mo. 1 Bdrms. Utn
Appl. Call 573-7377 943-7236

Apt Unf-Davidson North

MADISON
1 BR Apts Avail. Section 3 Welcomed!
Call for Details 615-341-5988

Rooms For Rent

KNIGHTS INN - weekly/monthly rates
& efficiencies. Free local calls, free
HBO & WIFI. \$200 & up. Call 259-9160

OLD HICKORY OR DONELSON - Male
wanted to share a nice 4 Bdrm, fully
furnished, sober living house at either
location. Incl cabie & W/D. utlis incl.
\$150/wk + deposit. 615-202-6671

Real Estate

Homes
starting fresh.

Commercial

PLEASANTVIEW 1460ft commercial
office space in the heart of town. Less
than 1 mile from the interstate. all utlis
incl. \$2,600/mo. 615-746-4365

Land-Other Counties

Auction: Sat., March 30th - Bowling
Green, KY. 508 Acres w/Nearly Three
Miles of River Frontage
www.lbauctioneers.com
(270)781-8013

owner. Must Sell. \$11,000. 615-350-1550

the job network

jobs.usatoday.com

Your Source

Public Notices

for the latest.

Public Notices

**NOTICE TO FURNISHERS
OF LABOR
AND MATERIALS TO:**
Sessions Paving Company
PROJECT NO:
19022-3217-54
CONTRACT NO: CNR937
COUNTY: Davidson
The Tennessee Department of
Transportation is about to make
final settlement with the contractor
for construction of the above num-
bered project. All persons wishing
to file claims pursuant to Section
54-5-122, T.C.A. must file same
with the Director of Construction,
Tennessee Department of Trans-
portation, Suite 700 James K. Polk
Bldg., Nashville, Tennessee 37243-
0326, on or before 4/19/2019.

Public Notices

0003423341

**NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE
OF NEED**

This is to provide official notice to the Health Services and Devel-
opment Agency and all interested parties, in accordance with
T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services
and Development Agency, that Tenn SM, LLC d/b/a Providence
Surgery Center, an existing multi-specialty ambulatory surgery
treatment center, owned by: Tenn SM, LLC, with an ownership
type of limited liability company and to be managed by: USP
Tennessee, Inc, intends to file an application for a Certificate of
Need for: the relocation of the existing Providence Surgery
Center, a multispecialty ambulatory surgery treatment center, to
a to be constructed building approximately a mile away to the
southwest corner of the Belinda Pkwy and Providence Trail inter-
section in Mt. Juliet, TN 37122 (Wilson County). The new location
will add an additional procedure room for a total of two operating
rooms and two procedure rooms. The project involves the build
out of 16,500 square feet of space. Total project costs are estimat-
ed to be \$8,082,908, including future facility lease payments.
The anticipated date of filing the application is March 13, 2019.
The contact person for this project is Corey Ridgway, Market
President, who may be reached at United Surgical Partners
International, 20 Burton Hills Boulevard, Suite 210, Nashville, TN
37215. 615-376-7300.
Upon written request by interested parties, a local Fact-Finding
public hearing shall be conducted. Written requests for hearing
should be sent to:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
592 Deaderick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following state-
ment pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care
institution wishing to oppose a Certificate of Need application
must file a written notice with the Health Services and Devel-
opment Agency no later than fifteen (15) days before the regularly
scheduled Health Services and Development Agency meeting at
which the application is originally scheduled; and (B) Any other
person wishing to oppose the application must file written objec-
tion with the Health Services and Development Agency at or prior
to the consideration of the application by the Agency.

Mothers Needed - If you have a nega-
tive blood type, had 2 or more pregnan-
cies, or blood transfusion or been told
you have an antibody, you may qualify
to help produce a lifesaving medicine
for babies. Earn \$ 500+ per month.
RH- Males qualify. Call for more info -
Southern Blood Services. 615-342-0180 or
www.southernbloodservices.com

Lost

Diamond Ring. Last seen at the Target
in Brentwood. Can offer description.
REWARD if found! Call: 615-671-3051

Great Buys

Yard Sale
neighborly deals.

Davidson Southwest

Berenice Denton Estate Sales
615-292-5765

Franklin Sale
101 Ashlawn Ct, 37064
March 7-9/ 9am to 4pm

For pics go to
www.berenicedenton.com

Careers

Careers

Careers

Supplemental #1 (Copy)

Tenn SM, LLC dba
Providence Surgery Center

Mt. Juliet (Wilson Co.)

CN1903-008



March 25, 2019

Hand Delivered

Mark Farber, Deputy Director
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

RE: Certificate of Need Application CN1903-008
Providence Surgery Center

Dear Mr. Farber:

Thank you for acknowledging receipt of our application for a Certificate of Need for the relocation of an existing ambulatory surgical treatment center (ASTC) from 5002 Crossing Circle, Suite 110, Mt. Juliet (Wilson County), TN approximately one mile to the southwest corner of the Belinda Pkwy and Providence Trail, Mt. Juliet (Wilson County), TN. An additional procedure room will be added to the two existing operating rooms and procedure rooms. This letter and attachments respond to your request for clarification or additional discussion. As requested, responses are being submitted in triplicate by the 4:00 p.m., Monday, March 25, 2019 deadline.

1. Section A, Applicant Profile, Item 1

The address used here should be the address of the proposed project location. Please make the necessary corrections and submit a revised Page 1.

RESPONSE: A replacement page labeled as 1R is provided in **Attachment A**.

2. Section A, Executive Summary, 2) Ownership Structure

The applicant has stated that Tenn SM, LLC is a joint venture between St. Thomas Health, United Surgical Partners International (USPI), area physicians, and a local medical office building developer. Please identify each member of the LLC and each member's percentage of ownership.

RESPONSE: Ownership details are provided in **Attachment B**.

3. Section A, Project Details, Item 6A. Legal Interest in Site

The unsigned Proposal to Lease is noted. Please submit a fully executed document.

In the Proposal to Lease, it appears that Mt. Juliet MOB Partners, G.P. is the lessor and USPI is the lessee. In the Agreement for Purchase and Sale that was executed in July 2018, the seller is Rochford Realty and Construction Company, Inc. and the buyer is Browning Properties II, LLC. There appears to be a disconnect since Mt. Juliet MOB Partners, G.P. is not mentioned. Please explain and document Mt. Juliet MOB Partners, G.P.'s ownership of the property.

RESPONSE: The signed lease proposal or letter of intent is provided in **Attachment C**.

Browning Properties II, LLC is an affiliate of Mt. Juliet MOB Partners, GP. Upon project authorization and commencement, Browning Properties II, LLC will convey the rights to the property to Mt. Juliet MOB Partners, GP. A letter of assignment is provided in **Attachment D**.

4. Section A, Project Details, Item 6B.1). Plot Plan

Please submit a revised plot plan that identifies the location of the proposed construction within the building structure.

RESPONSE: A revised plot plan, with the Providence portion shaded, is provided in **Attachment E**.

5. Section A, Project Details, Item 6B.2). Floor Plan

Review of the floor plan reveals an area for a future OR. Will the applicant accept a condition on this application, if approved, to file a CON application prior to adding the additional OR?

RESPONSE: Yes, the applicant will accept a condition on this application, if approved, to file a CON application prior to adding the additional OR if required by the guidelines.

6. Section A, Project Details, Item 12 Square Footage and Cost Per Square Footage Chart

Please provide a brief description of the office building including the age of the building, the number of floors, and the businesses by type per floor and each business' estimated square footage.

Will the building space be designed for possible future expansion?

RESPONSE: The proposed building has not yet been constructed. It is two stories intended for medical office use. The Providence ASTC will occupy approximately three quarters of the first floor. Other tenants have not been selected. Beyond the additional

OR described immediately above, the building space has not been designed for possible future expansion.

7. Section B, Need, (Specific Criteria –ASTC) Item 1. Need

It is understood that the new location will allow for performing more cases than is possible in the current location due to building constraints; however, in CN1608-031, the applicant projected in Year 2 (2018) 1,381 OR cases and 334 procedure room (PR) cases. In this application, the applicant is projecting by Year 2 (2021), 2,381 OR cases, a 72.4% increase and 1,488 PR cases, a 345% increase over what was projected in CN1608-031.

Please provide in detail the analysis of physician and specialty trends and the results of interviews to ascertain surgeon practice patterns that led to these increased projections. Include details concerning the volumes of cases currently being performed by the surgeons expected to utilize the proposed ASTC and where these cases are being performed.

RESPONSE: Approval of CN1608-031 allowed Providence to expand its surgical case mix from orthopedics and pain management to all surgical specialties. While this improved utilization, as noted in the question, the clinical, operational and facility issues described in the CON application have not allowed Providence to reach its full volume potential.

As indicated in its 2018 JAR, Providence reported serving 22 physicians excluding anesthesiologists and CRNAs. As provided in **Attachment F**, 26 physicians projected to utilize Providence had an annual, self-reported volume of 3,534 cases (2,193 OR cases and 1,341 PR cases). With expanded facilities at Providence, these 26 physicians plus five (5) more who have expressed interest will allow Providence to meet its Year 2 case projections. While a significant number of these cases are performed at Providence and its sister network of ASTCs, there is not a database available to track where all these cases are being performed currently.

8. Section B, Need, (Specific Criteria –ASTC) Item 2. Need and Economic Efficiencies

Please complete the following chart, one for the most recent year available, one for Year 1 and one for Year 2

Current Year Room Utilization

Operating Rooms	# Cases	# Cases	Minutes Used	Average Turnaround Time	Schedulable minutes*	% of Schedulable Time Used
Operating Room #1						
Operating Room #2						
Procedure Room #1						

Procedure Room #2						
Total Surgical Suite						

* defined as the summation of the minutes by each room available for scheduled cases

Example: 7:30 AM to 4:30 PM, 5 days per week, 50 weeks/ year, equates to 9 hrs/day X 60 min/hr = 540 minutes/day X 5 days/week = 2,700 minutes / week X 50 weeks/year=135,000 schedulable minutes/room X the number of rooms=surgical suite schedulable capacity

Current Year Room Utilization

Operating Rooms	# Cases	Minutes Used	Average Turnaround Time	Schedulable minutes*	% of Schedulable Time Used
Operating Room #1	366	23,790 (@65)	10,980 (@30)	135,000	25.8%
Operating Room #2	367	23,855 (@65)	11,010 (@30)	135,000	25.8%
Procedure Room #1	317	9,510 (@30)	4,755 (@15)	135,000	10.6%
Procedure Room #2	-	-	-	-	-
Total Surgical Suite	1,050	57,155	26,745	405,000	20.7%

Year 1 Room Utilization

Operating Rooms	# Cases	Minutes Used	Average Turnaround Time	Schedulable minutes*	% of Schedulable Time Used
Operating Room #1	785	51,025 (@65)	23,550 (@30)	135,000	55.2%
Operating Room #2	786	51,090 (@65)	23,580 (@30)	135,000	55.3%
Pain PR #1	618	18,540 (@30)	9,270 (@15)	135,000	20.6%
GI/Endo PR #2	315	9,450 (@30)	4,725 (@15)	135,000	10.5%
Total Surgical Suite	2,504	130,105	61,125	540,000	35.4%

Year 2 Room Utilization

Operating Rooms	# Cases	Minutes Used	Average Turnaround Time	Schedulable minutes*	% of Schedulable Time Used
Operating Room #1	1,190	77,350 (@65)	35,700 (@30)	135,000	83.7%
Operating Room #2	1,191	77,415 (@65)	35,730 (@30)	135,000	83.8%
Pain PR #1	818	24,540 (@30)	12,270 (@15)	135,000	27.3%
GI/Endo PR #2	670	20,100 (@30)	10,050 (@15)	135,000	22.3%
Total Surgical Suite	3,869	199,405	93,750	540,000	54.3%

9. Section B, Need, (Specific Criteria –ASTC) Item 3.

Your response to this item is noted. It does not appear to be realistic to think that ASTCs located in a ZIP code are the only ASTCs serving that ZIP Code.

Please expand your table to include all ASTCs in Davidson, Rutherford, and Wilson Counties, add three columns to report on procedures rooms as well as ORs, and update data using the 2018 JAR.

An alternative would be to access information from the ASTC Discharge Data System housed at the Department of Health and only include those ASTCs that performed cases in one or more of the applicant's service area ZIP Codes.

RESPONSE: Information for all ASTCs in Davidson, Rutherford, and Wilson Counties is provided in the response to Question 13, below.

10. Section B, Need, (Specific Criteria –ASTC) Item 4.

Because the applicant is projecting by Year 2 (2021), 2,381 cases, a 72.4% increase and 1,488 PR cases, a 345% increase over what was projected in CN1608-031, please discuss the impact this project will have on existing providers.

RESPONSE: As indicated in the response to Question 7, the 26 physicians projected to utilize Providence had an annual, self-reported volume of 3,534 cases (2,193 OR cases and 1,341 PR cases). Not even counting additional Providence physicians and patient referrals, fewer than 200 additional OR cases and 200 additional PR cases are required to meet the Year 2 projections. There is not a database available to track where all these cases are being performed currently. However, it is believed that a significant number are being performed at Providence or its sister network of ASTCs. Additionally, extremely strong population growth and aging populations in Mt. Juliet, Wilson County

and the remainder of the service area will allow Providence to achieve its projections with minimal impact on other existing providers.

11. Section B, Need, (Specific Criteria –ASTC) Item 8.

Are there any other ZIP Codes where historically has accounted for 1% or more of patient cases? If yes, please provide this information.

RESPONSE: As indicated below, three zip codes outside the three-county service area accounted for 1% or more of Providence patients in 2018: 37066 (Gallatin/Hendersonville/surrounding), 37075 (Hendersonville) and 37083 (Lafayette).

Providence 2018 Patient Origin by Zip Code

Zip Code	State	Patients	% Origin	% Cumulative Origin
37122	TN	339	23.8%	23.8%
37087	TN	176	12.3%	36.1%
37076	TN	121	8.5%	44.6%
37138	TN	83	5.8%	50.4%
37090	TN	65	4.6%	55.0%
37214	TN	52	3.6%	58.6%
37066	TN	34	2.4%	61.0%
37217	TN	30	2.1%	63.1%
37129	TN	27	1.9%	65.0%
37075	TN	26	1.8%	66.8%
37013	TN	26	1.8%	68.7%
37115	TN	22	1.5%	70.2%
37130	TN	22	1.5%	71.7%
37083	TN	21	1.5%	73.2%
37086	TN	18	1.3%	74.5%
37184	TN	18	1.3%	75.7%
37128	TN	17	1.2%	76.9%
37167	TN	14	1.0%	77.9%
Other Zips		315	22.1%	100.0%
		1,426		

Source: Internal Data
Outside 3-County Service Area

Please complete the following table using 2018 JAR data and include all ASTCs in Davidson, Rutherford, and Wilson Counties.

An alternative would be to access information from the ASTC Discharge Data System housed at the Department of Health and only include those ASTCs that performed cases in one or more of the applicant's service area ZIP Codes.

ASTC	# ORs	# OR Cases	# Cases per OR	% of meeting 884 Minimum	# PRs	# PR Cases	# Cases per PR	% of Meeting 1,867 Minimum
Single-Specialty Subtotal								
Multi-specialty ASTCs Subtotal								
Grand Total/Average								

In your response, please briefly describe the impact, if any, this project will have on the utilization of ASTCs in the three county service area.

Please complete the following table and include all hospitals in Davidson, Rutherford, and Wilson Counties. The data should include hospital outpatient surgical utilization from the latest three-year period in the following table:

An alternative would be to access information from the Hospital Discharge Data System housed at the Department of Health and only include those hospitals that performed cases in one or more of the applicant's service area ZIP Codes.

County	Hospital	2015 Cases	2016 Cases	2017 Cases	% Change 2015-2017
	Total				

In your response, please briefly describe the impact, if any, this project will have on the utilization of hospital surgical suites in the three county service area.

RESPONSE: The requested tables are provided in **Attachment G**. In 2018, ASTCs averaged 851 cases per OR (1,091 single specialty and 784 multispecialty), which exceeds the 884 case per OR minimum. The procedure room utilization averaged 1,114 cases per PR (1,082 single specialty and 1,225 multispecialty), the guidelines allow PR expansion when necessary to support the operating room services. Providence's procedure room expansion is necessary to support infection control measures for what are commonly termed both clean and dirty procedures.

With respect to hospital outpatient surgical cases, these have increased 8.1% from 2015 to 2017. Demand for these services is increasing significantly and is very likely associated with rapidly growing and aging service area populations.

As indicated in the response to Question 7, the 26 physicians projected to utilize Providence had an annual, self-reported volume of 3,534 cases (2,193 OR cases and 1,341 PR cases). Not even counting additional Providence physicians and patient referrals, fewer than 200 additional OR cases and 200 additional PR cases are required to meet the Year 2 projections. There is not a database available to track where all these cases are being performed currently. However, it is believed that a significant number are being performed at Providence or its sister network of ASTCs. Additionally, extremely strong population growth and aging populations in Mt. Juliet, Wilson County and the remainder of the service area will allow Providence to achieve its projections with minimal impact on other existing providers, including hospital providers.

14. Section B. Economic Feasibility Item A Project Cost Chart

The \$341,000 in Architect Fees mentioned in the Architect Letter do not appear to be included in the Project Cost Chart.

There appears to be a calculation error in the Project Cost Chart. Please make the necessary corrections and submit a replacement Page 37, Project Cost Chart.

RESPONSE: Architect Fees are the responsibility of the building developer and will be charged back to Providence as part of the monthly rental payments. Therefore, the project Cost Chart should not include these fees.

For the reason stated immediately above, the project cost chart originally submitted on Page 37 should not include any architectural and engineering fees. However, consulting fees of \$75,000 were placed on the incorrect line item. A replacement page labeled as 37R is provided in **Attachment A**.

15. Section B. Economic Feasibility Item B Funding

Please provide the funding letters regarding owners' equity and commercial loan.

RESPONSE: Funding letters are provided in **Attachment H**.

16. Section B. Economic Feasibility Item C. Historical Data Chart

The number of cases listed here do not match the historical volumes reported on page 33 of the application.

There appear to be some calculation errors in the Year 2016 column on page 39 and the Year 2015 column on page 40.

The Historical Data Chart-Other Expenses has column headers 2015, 2016 and 2017 while the Historical Data Chart has column headers 2016, 2017 and 2018.

Please make the necessary corrections and submit a revised Historical Data Chart.

RESPONSE: The data on page 33 is based on cases from the JARs. The Historical Data Chart is based on cases from internal data and has been relabeled.

The Year 2016 column on page 39 has been checked and verified. Please note there are two negative numbers in this column that may give a false appearance of a calculation error. The Year 2016 column on page 40, Repairs and Maintenance, has been changed from \$157,549 to \$157,546.

The column headers on the Historical Data Chart-Other Expenses have been adjusted.

Replacement pages labeled as 39R and 40R are provided in **Attachment A**.

17. Section B. Economic Feasibility Item D. Projected Data Chart

The annual rent listed here is less than what was reported on page 35.

Please make the necessary corrections and submit a revised Projected Data Chart.

RESPONSE: Annual rent has been corrected. Replacement pages labeled as 42R and 43R are provided in **Attachment A**.

18. Section B. Economic Feasibility Item E.3. Proposed Charges vs. Similar Facilities

Your response to this item is noted. Using JAR data compare the applicant's proposed average charge per case to that of ASTCs in the service area.

RESPONSE: As indicated by the table below, Providence is near the upper distribution of charges but certainly not the highest in the area. Please recall that Providence began as an orthopedic surgery center with charges appropriate for a more complex case mix.

2018 ASTC Charge/Case for Providence Service Area Providers

County	Facility Name	ORs Only	PRs Only	ORs + PRs	Gross/ Case	Net/ Case
Davidson	American Endoscopy Center		X		\$674	\$310
	Associated Endoscopy		X		\$1,941	\$577
	Northridge Surgery Center*			X	\$5,639	\$1,347
	Summit Surgery Center*			X	\$18,116	\$2,149
	Tennessee Pain Surgery Center			X	\$0	\$0
Rutherford	Middle Tennessee Ambulatory Surgery Center*			X	\$11,903	\$2,424
	Mid-State Endoscopy Center		X		\$4,536	\$799
	Physicians Pavilion Surgery Center*			X	\$7,481	\$1,280
	Spine and Pain Physicians Surgery Center, LLC		X		\$6,035	\$789
	Surgicenter of Murfreesboro Medical Clinic*			X	\$1,511	\$800
Wilson	Lebanon Endoscopy Center		X		\$4,502	\$850
	Providence Surgery Center*			X	\$11,684	\$2,231
	Wilson County Eye Surgery Center*			X	\$2,390	\$995
	Total Prim Svc Area (13 facilities)				\$6,949	\$1,339
	*Comparable OR/PR ASTCs (7 Facilities)				\$8,264	\$1,580

Source: Tennessee Department of Health - JARs 2018

19. Section B. Economic Feasibility Item F1. Financial Statements

Your response to this item is noted. At a minimum, please provide Tenet Healthcare's audited Balance Sheets, Income Statements, and Cash Flow Statements.

RESPONSE: Tenet Healthcare financial statements are provided in **Attachment I**.

20. Section B. Contribution to Orderly Development Item A.

Please provide a copy of any emergency transfer agreements with area hospitals. Do all the physicians using the ASTC have admitting privileges at these hospitals?

RESPONSE: The medical staff bylaws require that all surgeons be able to follow their patients in the case of an emergency transfer. Providence's hospital transfer agreement is provided in **Attachment J**.

21. Section B. Contribution to Orderly Development Item D.

Please provide documentation from the Department of Health indicating that there were no deficiencies found in the most recent licensure survey.

RESPONSE: The most recent DOH licensure survey is provided in **Attachment K**. Providence is appropriately licensed.

22. Section B. Contribution to Orderly Development Item E.2.

Your response to this item is noted. Please specifically address as to whether Tenet has been subjected to any of the items listed in 2) a-h.

RESPONSE: Because Tenet provides healthcare services in a highly regulated industry, it has been and expects to continue to be party to various lawsuits, claims and regulatory investigations from time to time. More information, regarding material pending legal proceedings in which Tenet is involved, is found in Note 16 to its Consolidated Financial Statements. This note is provided in **Attachment I**.

23. Section B. Quality Measures

Your response to this item is noted. Please address the following:

For Ambulatory Surgical Treatment Center projects, whether the applicant has estimated the number of physicians by specialty expected to utilize the facility, developed criteria to be used by the facility in extending surgical and anesthesia privileges to medical personnel, and documented the availability of appropriate and qualified staff that will provide ancillary support services, whether on- or off-site.

In this application, the applicant is projecting by Year 2 (2021), 2,381 cases, a 72.4% increase and 1,488 PR cases, a 345% increase over what was projected in CN1608-031. Will the applicant accept a condition to meet 2,381 OR cases and 1,488 PR cases in 2021 to support continuing need and quality measure standards?

RESPONSE: Providence is an existing ASTC with an established physician base, criteria already in place for extending surgical and anesthesia privileges to medical personnel, and appropriate and qualified staff already available to provide ancillary support services.

- Anesthesia: AMG Anesthesia
- Pharmacy: Michael O'Neal
- Pathology: Pathologist Laboratory P.C
- Blood/Lab: Tri Star Medical Center Laboratory
- Bio-Medical: Nashville Medical Electronics
- Radiology: Premier Radiology

These relationships and quality standards will not be adversely affected by the relocation of approximately one mile.

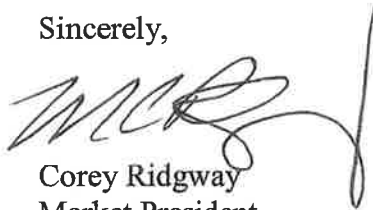
Providence is projecting 2,381 OR cases and 1,488 PR cases in Year 2 (2021). Based upon experience in the same service area with the same physician base, the projections are believed to be as reliable as any projections can be. Providence already meets appropriate certification and quality standards. In fact, the new facility will improve the quality of facilities and services now offered at Providence.

Providence is not aware of any minimum volume standards associated with ASTC quality. Extremely strong population growth and aging populations in Mt. Juliet, Wilson County and the remainder of the service area will allow Providence to achieve its projections without compromising quality. Accepting a condition based upon just two case numbers may not be the most reliable method of assessing quality. Therefore, Providence pledges to meet its current quality criteria and will continue to provide the Agency with annual quality reporting.

A notarized affidavit accompanies these responses and is found at **Attachment L**. On behalf of Providence Surgery Center, we look forward to having this application deemed complete to start the formal review process.

This information is being submitted in triplicate.

Sincerely,



Corey Ridgway
Market President
Ambulatory Operations

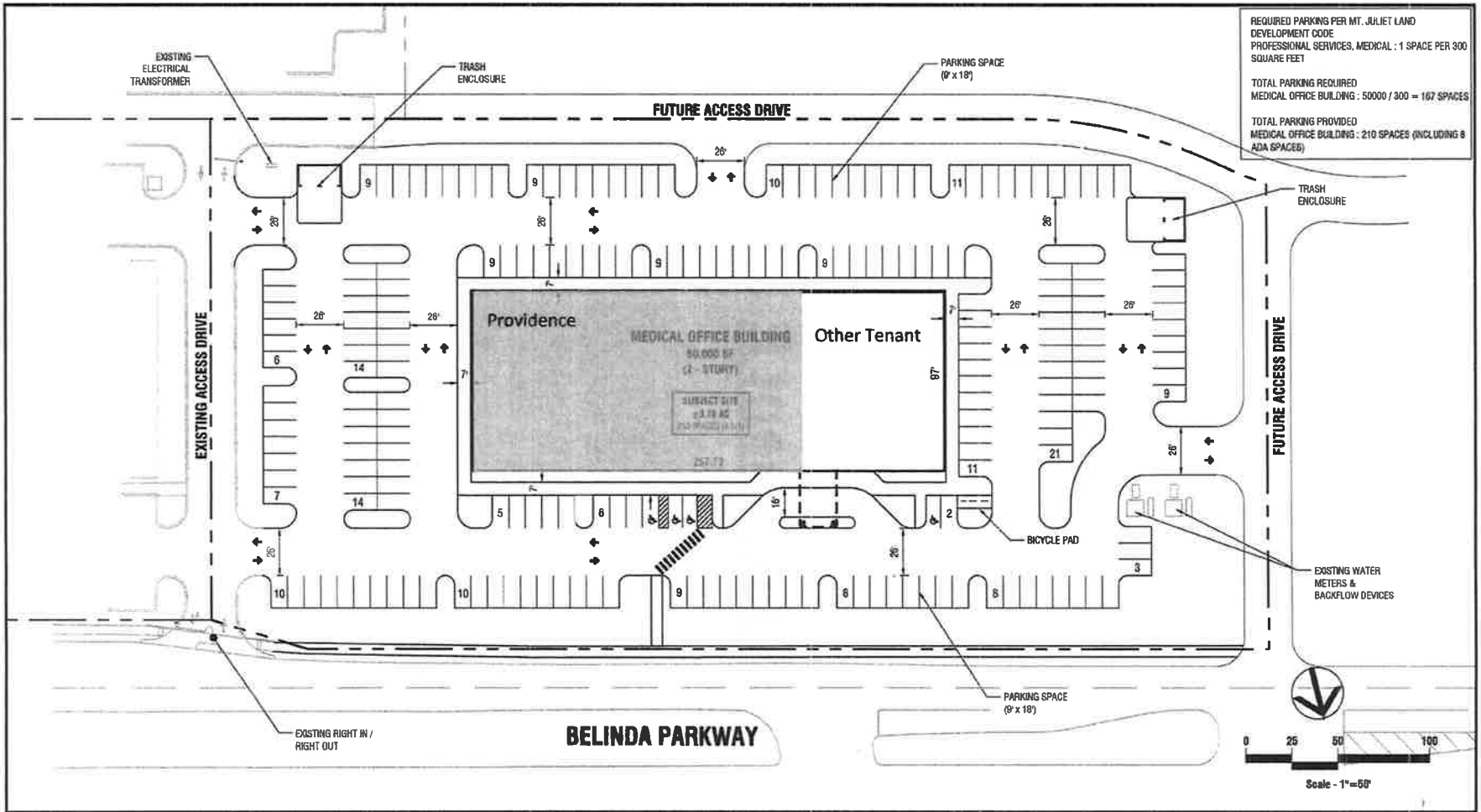
attachments

Attachment B

**Providence Surgery Center
Ownership Detail, 7-21-2016**

	Current # of Units	%
Shares / Units	100	100%
<u>Non-Physician Partners</u>		
Biscan, Robert	37.77	37.77%
Saint Thomas/USP Surgery Centers, L.L.C.	36.67	36.67%
SubTotal	74.44	74.44%
<u>Physician Partners</u>		
Eby MD, James	4.26	4.26%
Elalyli MD, Tarek	4.26	4.26%
Kaelin, Jr. MD, Charles	4.26	4.26%
KLN Management, LLC	4.26	4.26%
S Dixit MD Inc	4.26	4.26%
Taleghani MD, Christopher K.	4.26	4.26%
	25.56	25.56%
Total	100.00	100.00%

Attachment E



**PROPOSED
MEDICAL OFFICE BUILDING**
BELINDA PARKWAY
MT. JULIET, TENNESSEE

SCALE:	1"=50'	PRELIMINARY SITE PLAN
DATE:		
REV:		
		SP-01

Attachment F

Mt Juliet Relocation
PHYSICIAN UTILIZATION

	Cases	Physician
	Annual	
<u>ENT</u>		
	85.0 Dr.	
	63.0 Dr.	
	53.0 Dr.	
	35.0 Dr.	
	17.0 Dr.	
	300.0 Dr.	
	Subtotal	<u>6</u>
<u>GI</u>		
	600.0 Dr.	
	Subtotal	<u>1</u>
<u>Ophthalmology</u>		
	480.0 Dr.	
	Subtotal	<u>1</u>
<u>Orthopedics</u>		
	391.0 Dr.	
	183.0 Dr.	
	13.0 Dr.	
	13.0 Dr.	
	13.0 Dr.	
	10.0 Dr.	
	- Dr.	
	4.0 Dr.	
	3.0 Dr.	
	360.0 Dr.	
	Subtotal	<u>10</u>
<u>Pain Management</u>		
	289.0 Dr.	
	212.0 Dr.	
	240.0 Dr.	
	Subtotal	<u>3</u>
<u>Total Joints</u>		
	18.0 Dr.	
	Subtotal	<u>1</u>
<u>Podiatry</u>		
	30.0 Dr.	
	2.0 Dr.	
	Subtotal	<u>2</u>
<u>Urology</u>		
	120.0 Dr.	
	Subtotal	<u>1</u>
Grand Total	<u>3,534.0</u>	<u>26</u>

Attachment G

ASTC Operating Room and Procedure Room Utilization, 2016 - 2018

ASTC	Type	2016				2017				2018				2016 - 18 Cases	
	M/S	# ORs	OR Cases	# PRs	PR Cases	# ORs	OR Cases	# PRs	PR Cases	# ORs	OR Cases	# PRs	PR Cases	OR % Change	PR % Change
American Endoscopy Center	S	1	505	0	0	1	538	0	0	1	525	0	0	4.00%	-
Associated Endoscopy	S	0	0	3	5,593	0	0	3	5,541	0	0	3	5,087	-	-9.00%
Delozier Surgery Center	S	1	449	0	0	1	534	0	0	-	-	-	-	-	-
Digestive Disease Endoscopy Center	S	0	0	4	6,059	0	0	4	6,826	0	0	4	6,580	-	8.60%
Eye Surgery Center of Middle Tennessee	S	2	627	0	0	2	2,238	0	0	2	1,270	0	0	102.60%	-
Eye Surgery Center of Nashville	S	1	4,879	1	38	2	5,002	0	0	2	5,568	0	0	14.10%	-100.00%
Gurley Surgery Center	S	0	0	3	180	0	0	3	162	0	0	3	174	-	-3.30%
LVC Outpatient Surgery Center	S	2	2,186	1	364	2	2,603	1	389	2	1,569	1	0	-28.20%	-100.00%
Mid-State Endoscopy Center	S	0	0	3	2,755	0	0	2	2,784	0	0	2	2,764	-	0.30%
Nashville Endo Surgery Center	S	0	0	3	3,633	0	0	3	3	0	0	3	3,438	-	-5.40%
Nashville Gastrointestinal Endoscopy Center	S	0	0	3	2,853	0	0	3	2,783	0	0	3	2,689	-	-5.70%
Nashville Vision Correction	S	0	0	1	173	0	0	1	145	0	0	1	151	-	-12.70%
NFC Surgery Center	S	1	942	1	0	1	982	1	0	1	792	1	0	-15.90%	-
Planned Parenthood of Middle and East Tennessee	S	0	0	2	888	0	0	2	1,086	0	0	2	1,548	-	74.30%
Premier Radiology Pain Management Center	S	0	0	2	2,002	0	0	2	2,023	0	0	2	1,770	-	-11.60%
Saint Thomas Outpatient Neurosurgical Center	S	2	4,589	1	0	1	1,568	2	3,134	1	1,547	2	3,095	-66.30%	-
Southern Endoscopy Center	S	0	0	3	3,154	0	0	3	2,182	0	0	3	2,104	-	-33.30%
St. Thomas Medical Group Endoscopy Center	S	0	0	2	3,363	0	0	2	3,788	0	0	2	2,996	-	-10.90%
Tennessee Pain Surgery Center	S	1	8,162	3	2,210	1	2,215	3	8,182	1	3,824	3	6,801	-53.10%	207.70%
The Center for Assisted Reproductive Technologies	S	0	0	2	375	0	0	2	379	0	0	2	324	-	-13.60%
Turner Surgery Center	S	-	-	-	-	0	0	1	13	0	0	1	51	-	-
Urology Surgery Center	S	3	2,820	3	3,151	3	2,608	3	3,302	5	2,255	3	3,104	-20.00%	-1.50%
Wesley Ophthalmic Plastic Surgery Center	S	2	1,257	0	0	2	1,284	0	0	2	1,247	0	0	-0.80%	-
Mid-State Endoscopy Center	S	0	0	1	2,395	0	0	1	2,623	0	0	1	2,118	-	-11.60%
Spine and Pain Physicians Surgery Center, LLC	S	0	0	1	1,464	0	0	1	1,696	0	0	1	1,373	-	-6.20%
Williams Surgery Center	S	1	44	0	0	1	56	0	0	-	-	-	-	-	-
Lebanon Endoscopy Center	S	0	0	2	2,163	0	0	2	2,015	0	0	1	2,259	-	4.40%
Wilson County Eye Surgery Center	S	1	1,165	1	365	1	1,139	1	310	1	1,037	1	270	-11.00%	-26.00%
Single Specialty Total/Average		18	27,625	46	43,178	18	20,767	46	49,366	18	19,634	45	48,696	-28.90%	12.80%
Baptist Ambulatory Surgery Center	M	6	5,650	1	1,960	6	5,496	1	2,307	6	5,324	1	2,604	-5.80%	32.90%
Centennial Surgery Center	M	6	5,216	2	2,315	6	5,618	2	1,965	6	5,437	2	1,650	4.20%	-28.70%
Delozier Surgery Center	M	-	-	-	-	-	-	-	-	1	393	0	0	-	-
Northridge Surgery Center	M	5	2,171	2	313	5	2,587	1	233	5	2,874	1	180	32.40%	-42.50%
Oral Facial Surgery Center	M	3	2,664	0	0	3	2,756	0	0	3	2,726	0	0	2.30%	-
Premier Orthopaedic Surgery Center	M	2	2,029	0	0	2	1,659	0	0	2	1,513	0	0	-25.40%	-
Saint Thomas Campus Surgicare	M	6	5,973	1	1,317	6	6,039	1	1,377	6	6,270	1	1,334	5.00%	1.30%
Saint Thomas Surgery Center Midtown	M	9	8,487	1	282	10	7,679	1	390	10	7,099	1	1,654	-16.40%	486.50%
Southern Hills Surgery Center, LP	M	-	-	-	-	4	77	0	0	4	464	0	0	-	-
Summit Surgery Center	M	5	4,983	1	428	5	4,851	1	520	5	4,831	1	479	-3.10%	11.90%
Middle Tennessee Ambulatory Surgery Center	M	6	6,214	1	934	6	6,277	1	830	6	6,469	1	870	4.10%	-6.90%
Physicians Pavilion Surgery Center	M	4	2,183	1	694	4	2,373	1	892	4	2,340	1	997	7.20%	43.70%
Surgicenter of Murfreesboro Medical Clinic	M	3	4,237	3	6,036	3	4,246	3	5,530	4	3,691	3	5,833	-12.90%	-3.40%
Providence Surgery Center	M	2	491	1	216	2	654	1	485	2	733	1	317	49.30%	46.80%
Multi Specialty Total/Average		57	50,298	14	14,495	62	50,312	13	14,529	64	50,164	13	15,918	-0.30%	9.80%
Grand Total/Average		75	77,923	60	57,673	80	71,079	59	63,895	82	69,798	58	64,614	-10.40%	12.00%

Source: Tennessee IARs

ASTC Operating Room and Procedure Room Utilization, 2018

ASTC	Type	2018							
	M/S	# ORs	OR Cases	OR Cases/ Room	% of 884 Min	# PRs	PR Cases	PR Cases/ Room	% of 1,867 Min
American Endoscopy Center	S	1	525	525	59.4%	0	0	-	-
Associated Endoscopy	S	0	0	-	-	3	5,087	1,696	90.8%
Delozier Surgery Center	S	-	-	-	-	-	-	-	-
Digestive Disease Endoscopy Center	S	0	0	-	-	4	6,580	1,645	88.1%
Eye Surgery Center of Middle Tennessee	S	2	1,270	635	71.8%	0	0	-	-
Eye Surgery Center of Nashville	S	2	5,568	2,784	314.9%	0	0	-	-
Gurley Surgery Center	S	0	0	-	-	3	174	58	3.1%
LVC Outpatient Surgery Center	S	2	1,569	785	88.7%	1	0	0	0.0%
Mid-State Endoscopy Center	S	0	0	-	-	2	2,764	1,382	74.0%
Nashville Endo Surgery Center	S	0	0	-	-	3	3,438	1,146	61.4%
Nashville Gastrointestinal Endoscopy Center	S	0	0	-	-	3	2,689	896	48.0%
Nashville Vision Correction	S	0	0	-	-	1	151	151	8.1%
NFC Surgery Center	S	1	792	792	89.6%	1	0	0	0.0%
Planned Parenthood of Middle and East Tennessee	S	0	0	-	-	2	1,548	774	41.5%
Premier Radiology Pain Management Center	S	0	0	-	-	2	1,770	885	47.4%
Saint Thomas Outpatient Neurosurgical Center	S	1	1,547	1,547	175.0%	2	3,095	1,548	82.9%
Southern Endoscopy Center	S	0	0	-	-	3	2,104	701	37.6%
St. Thomas Medical Group Endoscopy Center	S	0	0	-	-	2	2,996	1,498	80.2%
Tennessee Pain Surgery Center	S	1	3,824	3,824	432.6%	3	6,801	2,267	121.4%
The Center for Assisted Reproductive Technologies	S	0	0	-	-	2	324	162	8.7%
Turner Surgery Center	S	0	0	-	-	1	51	51	2.7%
Urology Surgery Center	S	5	2,255	451	51.0%	3	3,104	1,035	55.4%
Wesley Ophthalmic Plastic Surgery Center	S	2	1,247	624	70.5%	0	0	-	-
Mid-State Endoscopy Center	S	0	0	-	-	1	2,118	2,118	113.4%
Spine and Pain Physicians Surgery Center, LLC	S	0	0	-	-	1	1,373	1,373	73.5%
Williams Surgery Center	S	-	-	-	-	-	-	-	-
Lebanon Endoscopy Center	S	0	0	-	-	1	2,259	2,259	121.0%
Wilson County Eye Surgery Center	S	1	1,037	1,037	117.3%	1	270	270	14.5%
Single Specialty Total/Average		18	19,634	1,091	123.4%	45	48,696	1,082	58.0%
Baptist Ambulatory Surgery Center	M	6	5,324	887	100.4%	1	2,604	2,604	139.5%
Centennial Surgery Center	M	6	5,437	906	102.5%	2	1,650	825	44.2%
Delozier Surgery Center	M	1	393	393	44.5%	0	0	-	-
Northridge Surgery Center	M	5	2,874	575	65.0%	1	180	180	9.6%
Oral Facial Surgery Center	M	3	2,726	909	102.8%	0	0	-	-
Premier Orthopaedic Surgery Center	M	2	1,513	757	85.6%	0	0	-	-
Saint Thomas Campus Surgicare	M	6	6,270	1,045	118.2%	1	1,334	1,334	71.5%
Saint Thomas Surgery Center Midtown	M	10	7,099	710	80.3%	1	1,654	1,654	88.6%
Southern Hills Surgery Center, LP	M	4	464	116	13.1%	0	0	-	-
Summit Surgery Center	M	5	4,831	966	109.3%	1	479	479	25.7%
Middle Tennessee Ambulatory Surgery Center	M	6	6,469	1,078	122.0%	1	870	870	46.6%
Physicians Pavilion Surgery Center	M	4	2,340	585	66.2%	1	997	997	53.4%
Surgicenter of Murfreesboro Medical Clinic	M	4	3,691	923	104.4%	3	5,833	1,944	104.1%
Providence Surgery Center	M	2	733	367	41.5%	1	317	317	17.0%
Multi Specialty Total/Average		64	50,164	784	88.7%	13	15,918	1,225	65.6%
Grand Total/Average		82	69,798	851	96.3%	58	64,614	1,114	59.7%

Source: Tennessee JARs

OP Surgical Cases By Hospital, 2015 - 2017

County	Hospital	2015 Cases	2016 Cases	2017 Cases	% Change 2015-2017
Davidson	Metro Nashville General Hospital	2,707	1,532	1,495	-44.8%
Davidson	Saint Thomas Hospital for Spinal Surgery	2,270	2,505	2,238	-1.4%
Davidson	Saint Thomas Midtown	5,556	5,954	6,278	13.0%
Davidson	Saint Thomas West	3,699	3,990	3,940	6.5%
Davidson	Tristar Centennial Medical Center	13,155	15,802	16,082	22.3%
Davidson	Tristar Skyline Medical Center	2,319	3,838	3,119	34.5%
Davidson	Tristar Southern Hills Medical Center	2,412	2,348	2,375	-1.5%
Davidson	Tristar Summit Medical Center	3,119	3,110	3,104	-0.5%
Davidson	Vanderbilt University Hospital	33,575	35,724	46,011	37.0%
Rutherford	Saint Thomas Rutherford Hospital	4,992	5,378	5,123	2.6%
Rutherford	TriStar StoneCrest Medical Center	5,455	2,891	3,060	-43.9%
Wilson	University Medical Center	9,427	2,519	3,088	-67.2%
	Total	88,686	85,591	95,913	8.1%

Source: Tennessee JARs

Attachment H



March 25, 2019

Logan Grant
Tennessee Health Services and Development Agency
502 Deaderick Street
Andrew Jackson Building, 9th Floor
Nashville, TN 37243

Dear Mr. Grant,

Saint Thomas USP Surgery Centers, LLC intends to fund its estimated \$2,500,000 equity contribution to the Tenn SM, LLC, d/b/a Providence Surgery Center project from cash on hand. Saint Thomas USP Surgery Centers, LLC has \$29,642,742 of available cash currently held in a United Surgical Partners International, Inc. (USPI) consolidated account. Saint Thomas USP Surgery Centers, LLC does not produce audited financial statements. However, USPI is the controlling member of Saint Thomas USP Surgery Centers, LLC owning 50.1%. USPI's financial information is reported as the Ambulatory Care segment included in the financial statements and information filed with the US Securities and Exchange Commission (the "SEC") by USPI's majority owner, Tenet Healthcare Corporation (NYSE:THC). Copies of those filings are available on the SEC's website at

<https://www.sec.gov/edgar/searchedgar/companysearch.html>.

If you have any questions, please do not hesitate to contact our outside counsel on this matter, Byron Trauger, of Trauger & Tuke.

Sincerely,

A handwritten signature in black ink, appearing to read 'MCR', with a long, sweeping horizontal line extending to the right.

M. Corey Ridgway,
Market President, Operations
United Surgical Partners International, Inc.

03/13/2019

Mr. Corey Ridgway
Market President
United Surgical Partners International, Inc.
8 Cadillac Dr. Ste 200
Brentwood, TN 37027

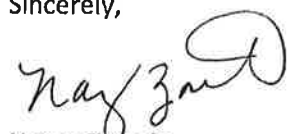
Dear Corey,

We understand that Providence Surgery Center has applied for a CON, which requires a letter from a qualified financial institution to support various borrowing needs. Providence Surgery Center's request is for a 7-year term loan of \$6.5 million to finance tenant improvements, equipment and furnishings. Based on similar credit facilities, the term loan will be priced at the London Interbank Offer Rate ("Libor"), plus 2.5%.

We have a long standing relationship with the managing partner of Providence Surgery Center, United Surgical Partners International, Inc. ("USPI"). Given the manner in which USPI has managed this and several other surgery centers, where we serve as their financing and banking partner, we would certainly look favorably on this financing request subject to further due diligence and approval of their pending CON application.

Should you have any further questions, please feel free to contact me directly at (615) 744.3720.

Sincerely,



Nancy Zoretic
Sr. Vice President

Attachment I

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
 Washington, DC 20549
Form 10-K

☒ Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2018
 OR
☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission File Number 1-7293

TENET HEALTHCARE CORPORATION

(Exact name of Registrant as specified in its charter)

Nevada
 (State of Incorporation)

95-2557091
 (IRS Employer Identification No.)

1445 Ross Avenue, Suite 1400
Dallas, TX 75202
 (Address of principal executive offices, including zip code)

(469) 893-2200
 (Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, \$0.05 par value	New York Stock Exchange
6.875% Senior Notes due 2031	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company (each as defined in Exchange Act Rule 12b-2).

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes ☐ No ☒

As of June 30, 2018, the aggregate market value of the shares of common stock held by non-affiliates of the Registrant (treating directors, executive officers who were SEC reporting persons, and holders of 10% or more of the common stock outstanding as of that date, for this purpose, as affiliates) was approximately \$2.3 billion based on the closing price of the Registrant's shares on the New York Stock Exchange on Friday, June 29, 2018. As of January 31, 2019, there were 102,667,337 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement for the 2019 annual meeting of shareholders are incorporated by reference into Part III of this Form 10-K.

CONSOLIDATED BALANCE SHEETS
Dollars in Millions

	December 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 411	\$ 611
Accounts receivable (less allowance for doubtful accounts of \$898 at December 31, 2017)	2,595	2,616
Inventories of supplies, at cost	305	289
Income tax receivable	21	5
Assets held for sale	107	1,017
Other current assets	1,197	1,035
Total current assets	4,636	5,573
Investments and other assets	1,456	1,543
Deferred income taxes	312	455
Property and equipment, at cost, less accumulated depreciation and amortization (\$5,221 at December 31, 2018 and \$4,739 at December 31, 2017)	6,993	7,030
Goodwill	7,281	7,018
Other intangible assets, at cost, less accumulated amortization (\$1,013 at December 31, 2018 and \$883 at December 31, 2017)	1,731	1,766
Total assets	\$ 22,409	\$ 23,385
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 182	\$ 146
Accounts payable	1,207	1,175
Accrued compensation and benefits	838	848
Professional and general liability reserves	216	200
Accrued interest payable	240	256
Liabilities held for sale	43	480
Other current liabilities	1,131	1,227
Total current liabilities	3,857	4,332
Long-term debt, net of current portion	14,644	14,791
Professional and general liability reserves	666	654
Defined benefit plan obligations	521	536
Deferred income taxes	36	36
Other long-term liabilities	578	631
Total liabilities	20,302	20,980
Commitments and contingencies		
Redeemable noncontrolling interests in equity of consolidated subsidiaries	1,420	1,866
Equity:		
Shareholders' equity:		
Common stock, \$0.05 par value; authorized 262,500,000 shares; 150,897,143 shares issued at December 31, 2018 and 149,384,952 shares issued at December 31, 2017	7	7
Additional paid-in capital	4,747	4,859
Accumulated other comprehensive loss	(223)	(204)
Accumulated deficit	(2,236)	(2,390)
Common stock in treasury, at cost, 48,359,705 shares at December 31, 2018 and 48,413,169 shares at December 31, 2017	(2,414)	(2,419)
Total shareholders' deficit	(119)	(147)
Noncontrolling interests	806	686
Total equity	687	539
Total liabilities and equity	\$ 22,409	\$ 23,385

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
Dollars in Millions, Except Per-Share Amounts

	Years Ended December 31,		
	2018	2017	2016
Net operating revenues:			
Net operating revenues before provision for doubtful accounts		\$ 20,613	\$ 21,070
Less: Provision for doubtful accounts		1,434	1,449
Net operating revenues	\$ 18,313	19,179	19,621
Equity in earnings of unconsolidated affiliates	150	144	131
Operating expenses:			
Salaries, wages and benefits	8,634	9,274	9,328
Supplies	3,004	3,085	3,124
Other operating expenses, net	4,259	4,570	4,891
Electronic health record incentives	(3)	(9)	(32)
Depreciation and amortization	802	870	850
Impairment and restructuring charges, and acquisition-related costs	209	541	202
Litigation and investigation costs	38	23	293
Net gains on sales, consolidation and deconsolidation of facilities	(127)	(144)	(151)
Operating income	1,647	1,113	1,247
Interest expense	(1,004)	(1,028)	(979)
Other non-operating expense, net	(5)	(22)	(20)
Gain (loss) from early extinguishment of debt	1	(164)	—
Income (loss) from continuing operations, before income taxes	639	(101)	248
Income tax expense	(176)	(219)	(67)
Income (loss) from continuing operations, before discontinued operations	463	(320)	181
Discontinued operations:			
Income (loss) from operations	4	—	(6)
Income tax benefit (expense)	(1)	—	1
Income (loss) from discontinued operations	3	—	(5)
Net income (loss)	466	(320)	176
Less: Net income available to noncontrolling interests	355	384	368
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ 111	\$ (704)	\$ (192)
Amounts available (attributable) to Tenet Healthcare Corporation common shareholders			
Income (loss) from continuing operations, net of tax	\$ 108	\$ (704)	\$ (187)
Income (loss) from discontinued operations, net of tax	3	—	(5)
Net income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ 111	\$ (704)	\$ (192)
Earnings (loss) per share available (attributable) to Tenet Healthcare Corporation common shareholders:			
Basic			
Continuing operations	\$ 1.06	\$ (7.00)	\$ (1.88)
Discontinued operations	0.03	—	(0.05)
	\$ 1.09	\$ (7.00)	\$ (1.93)
Diluted			
Continuing operations	\$ 1.04	\$ (7.00)	\$ (1.88)
Discontinued operations	0.03	—	(0.05)
	\$ 1.07	\$ (7.00)	\$ (1.93)
Weighted average shares and dilutive securities outstanding (in thousands):			
Basic	102,110	100,592	99,321
Diluted	103,881	100,592	99,321

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME (LOSS)
Dollars in Millions

	Years Ended December 31,		
	2018	2017	2016
Net income (loss)	\$ 466	\$ (320)	\$ 176
Other comprehensive income (loss):			
Adjustments for defined benefit plans	(29)	42	(73)
Amortization of net actuarial loss included in other non-operating expense, net	14	14	12
Unrealized gains (losses) on debt securities held as available-for-sale	—	6	2
Sale of foreign subsidiary	37	—	—
Foreign currency translation adjustments	(4)	15	(53)
Other comprehensive income (loss) before income taxes	18	77	(112)
Income tax benefit (expense) related to items of other comprehensive income (loss)	6	(23)	18
Total other comprehensive income (loss), net of tax	24	54	(94)
Comprehensive net income (loss)	490	(266)	82
Less: Comprehensive income attributable to noncontrolling interests	355	384	368
Comprehensive income available (loss attributable) to Tenet Healthcare Corporation common shareholders	\$ 135	\$ (650)	\$ (286)

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Dollars in Millions,
Share Amounts in Thousands

Tenet Healthcare Corporation Shareholders' Equity								
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury Stock	Noncontrolling Interests	Total Equity
	Shares Outstanding	Issued Par Amount						
Balances at December 31, 2015	98,495	\$ 7	\$ 4,815	\$ (164)	\$ (1,550)	\$ (2,417)	\$ 267	\$ 958
Net income (loss)	—	—	—	—	(192)	—	138	(54)
Distributions paid to noncontrolling interests	—	—	—	—	—	—	(111)	(111)
Other comprehensive loss	—	—	—	(94)	—	—	—	(94)
Purchases (sales) of businesses and noncontrolling interests	—	—	(40)	—	—	—	146	106
Purchase accounting adjustments	—	—	—	—	—	—	225	225
Stock-based compensation expense, tax benefit and issuance of common stock	1,191	—	52	—	—	—	—	52
Balances at December 31, 2016	99,686	7	4,827	(258)	(1,742)	(2,417)	665	1,082
Net income (loss)	—	—	—	—	(704)	—	145	(559)
Distributions paid to noncontrolling interests	—	—	—	—	—	—	(123)	(123)
Other comprehensive income	—	—	—	54	—	—	—	54
Accretion of redeemable noncontrolling interests	—	—	(33)	—	—	—	—	(33)
Purchases (sales) of businesses and noncontrolling interests	—	—	4	—	—	—	(1)	3
Cumulative effect of accounting change	—	—	—	—	56	—	—	56
Stock-based compensation expense, tax benefit and issuance of common stock	1,286	—	61	—	—	(2)	—	59
Balances at December 31, 2017	100,972	7	4,859	(204)	(2,390)	(2,419)	686	539
Net income	—	—	—	—	111	—	165	276
Distributions paid to noncontrolling interests	—	—	—	—	—	—	(148)	(148)
Other comprehensive income	—	—	—	24	—	—	—	24
Accretion of redeemable noncontrolling interests	—	—	(173)	—	—	—	—	(173)
Purchases (sales) of businesses and noncontrolling interests	—	—	3	—	—	—	103	106
Cumulative effect of accounting change	—	—	—	(43)	43	—	—	—
Stock-based compensation expense, tax benefit and issuance of common stock	1,565	—	58	—	—	5	—	63
Balances at December 31, 2018	102,537	\$ 7	\$ 4,747	\$ (223)	\$ (2,236)	\$ (2,414)	\$ 806	\$ 687

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Dollars in Millions

	Years Ended December 31,		
	2018	2017	2016
Net income (loss)	\$ 466	\$ (320)	\$ 176
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	802	870	850
Provision for doubtful accounts	—	1,434	1,449
Deferred income tax expense	150	200	41
Stock-based compensation expense	46	59	68
Impairment and restructuring charges, and acquisition-related costs	209	541	202
Litigation and investigation costs	38	23	293
Net gains on sales, consolidation and deconsolidation of facilities	(127)	(144)	(151)
Loss (gain) from early extinguishment of debt	(1)	164	—
Equity in earnings of unconsolidated affiliates, net of distributions received	(12)	(18)	(13)
Amortization of debt discount and debt issuance costs	45	44	41
Pre-tax loss (income) from discontinued operations	(4)	—	6
Other items, net	(21)	(18)	(1)
Changes in cash from operating assets and liabilities:			
Accounts receivable	(134)	(1,448)	(1,604)
Inventories and other current assets	17	(35)	(83)
Income taxes	(3)	(38)	(8)
Accounts payable, accrued expenses and other current liabilities	(152)	(10)	(51)
Other long-term liabilities	(102)	26	40
Payments for restructuring charges, acquisition-related costs, and litigation costs and settlements	(163)	(125)	(691)
Net cash used in operating activities from discontinued operations, excluding income taxes	(5)	(5)	(6)
Net cash provided by operating activities	1,049	1,200	558
Cash flows from investing activities:			
Purchases of property and equipment — continuing operations	(617)	(707)	(875)
Purchases of businesses or joint venture interests, net of cash acquired	(113)	(50)	(117)
Proceeds from sales of facilities and other assets	543	827	573
Proceeds from sales of marketable securities, long-term investments and other assets	199	36	62
Purchases of equity investments	(127)	(68)	(39)
Other long-term assets	15	(10)	(31)
Other items, net	(15)	(7)	(3)
Net cash provided by (used in) investing activities	(115)	21	(430)
Cash flows from financing activities:			
Repayments of borrowings under credit facility	(950)	(970)	(1,895)
Proceeds from borrowings under credit facility	950	970	1,895
Repayments of other borrowings	(312)	(4,139)	(154)
Proceeds from other borrowings	23	3,795	760
Debt issuance costs	—	(62)	(12)
Distributions paid to noncontrolling interests	(288)	(258)	(218)
Proceeds from sale of noncontrolling interests	20	31	22
Purchases of noncontrolling interests	(647)	(729)	(186)
Proceeds from exercise of stock options and employee stock purchase plan	16	7	4
Other items, net	54	29	16
Net cash provided by (used in) financing activities	(1,134)	(1,326)	232
Net increase (decrease) in cash and cash equivalents	(200)	(105)	360
Cash and cash equivalents at beginning of period	611	716	356
Cash and cash equivalents at end of period	\$ 411	\$ 611	\$ 716
Supplemental disclosures:			
Interest paid, net of capitalized interest	\$ (976)	\$ (939)	\$ (932)
Income tax payments, net	\$ (25)	\$ (56)	\$ (33)

See accompanying Notes to Consolidated Financial Statements.

NOTE 16. CLAIMS AND LAWSUITS

We operate in a highly regulated and litigious industry. Healthcare companies are subject to numerous investigations by various governmental agencies. Further, private parties have the right to bring qui tam or “whistleblower” lawsuits against companies that allegedly submit false claims for payments to, or improperly retain overpayments from, the government and, in some states, private payers. We and our subsidiaries have received inquiries in recent years from government agencies, and we may receive similar inquiries in future periods. We are also subject to class action lawsuits, employment-related claims and other legal actions in the ordinary course of business. Some of these actions may involve large demands, as well as substantial defense costs. We cannot predict the outcome of current or future legal actions against us or the effect that judgments or settlements in such matters may have on us.

We are also subject to a non-prosecution agreement (“NPA”). If we fail to comply with this agreement, we could be subject to criminal prosecution, substantial penalties and exclusion from participation in federal healthcare programs, any of which could adversely impact our business, financial condition, results of operations or cash flows.

We record accruals for estimated losses relating to claims and lawsuits when available information indicates that a loss is probable and we can reasonably estimate the amount of the loss or a range of loss. Significant judgment is required in both the determination of the probability of a loss and the determination as to whether a loss is reasonably estimable. These determinations are updated at least quarterly and are adjusted to reflect the effects of negotiations, settlements, rulings, advice of legal counsel and technical experts, and other information and events pertaining to a particular matter, but are subject to significant uncertainty regarding numerous factors that could affect the ultimate loss levels. If a loss on a material matter is reasonably possible and estimable, we disclose an estimate of the loss or a range of loss. In cases where we have not disclosed an estimate, we have concluded that the loss is either not reasonably possible or the loss, or a range of loss, is not reasonably estimable, based on available information. Given the inherent uncertainties involved in these matters, especially those involving governmental agencies, and the indeterminate damages sought in some of these matters, there is significant uncertainty as to the ultimate liability we may incur from these matters, and an adverse outcome in one or more of these matters could be material to our results of operations or cash flows for any particular reporting period.

Shareholder Derivative Litigation

In January 2017, the Dallas County District Court consolidated two previously disclosed shareholder derivative lawsuits filed on behalf of the Company by purported shareholders of the Company’s common stock against current and former officers and directors into a single matter captioned *In re Tenet Healthcare Corporation Shareholder Derivative Litigation*. The plaintiffs filed a consolidated shareholder derivative petition in February 2017. The consolidated shareholder derivative petition alleged that false or misleading statements or omissions concerning the Company’s financial performance and compliance policies, specifically with respect to the previously disclosed civil qui tam litigation and parallel criminal investigation of the Company and certain of its subsidiaries (together, the “Clinica de la Mama matters”), caused the price of the Company’s common stock to be artificially inflated. In addition, the plaintiffs alleged that the defendants violated GAAP by failing to disclose an estimate of the possible loss or a range of loss related to the Clinica de la Mama matters. The plaintiffs claimed that they did not make demand on the Company’s board of directors to bring the lawsuit because such a demand would have been futile. In May 2018, the judge in the consolidated shareholder derivative litigation entered an order lifting the previous year-long stay of the matter and, in July 2018, the defendants filed pleadings seeking dismissal of the lawsuit. In October 2018, the judge granted defendants’ motion to dismiss, but also agreed to give the plaintiffs 30 days to replead their complaint. On January 30, 2019, the court issued a final judgment and order of dismissal after the plaintiffs elected not to replead. The plaintiffs have indicated that they will appeal the court’s ruling that dismissal was appropriate because they failed to adequately plead that a pre-suit demand on Tenet’s Board of Directors, a precondition to their action, should be excused as futile. The plaintiffs have until March 1, 2019 to file an appeal. If necessary, the defendants intend to continue to vigorously contest the plaintiffs’ allegations in this matter.

Antitrust Class Action Lawsuit Filed by Registered Nurses in San Antonio

In *Maderazo, et al. v. VHS San Antonio Partners, L.P. d/b/a Baptist Health Systems, et al.*, filed in June 2006 in the U.S. District Court for the Western District of Texas, a purported class of registered nurses employed by three unaffiliated San Antonio-area hospital systems allege those hospital systems, including our Baptist Health System, and other unidentified San Antonio regional hospitals violated Section §1 of the federal Sherman Act by conspiring to depress nurses’ compensation and exchanging compensation-related information among themselves in a manner that reduced competition and suppressed the wages paid to such nurses. The suit seeks unspecified damages (subject to trebling under federal law), interest, costs and attorneys’ fees. On January 23, 2019, the district court issued an opinion denying the plaintiffs’ motion for class certification.

On February 5, 2019, the plaintiffs appealed the district court's decision to the U.S. Court of Appeals for the Fifth Circuit. We will continue to vigorously defend ourselves against the plaintiffs' allegations.

Government Investigation of Detroit Medical Center

Detroit Medical Center ("DMC") is subject to an ongoing investigation by the U.S. Attorney's Office for the Eastern District of Michigan and the U.S. Department of Justice ("DOJ") for potential violations of the Stark law, the Medicare and Medicaid anti-kickback and anti-fraud and abuse amendments codified under Section 1128B(b) of the Social Security Act (the "Anti-kickback Statute"), and the federal False Claims Act ("FCA") related to DMC's employment of nurse practitioners and physician assistants ("Mid-Level Practitioners") from 2006 through 2017. As previously disclosed, a media report was published in August 2017 alleging that 14 Mid-Level Practitioners were terminated by DMC earlier in 2017 due to compliance concerns. We are cooperating with the investigation and continue to produce documents on a schedule agreed upon with the DOJ. Because the government's review is in its preliminary stages, we are unable to determine the potential exposure, if any, at this time.

Oklahoma Surgical Hospital Qui Tam Action

In September 2016, a relator filed a qui tam lawsuit under seal in the Western District of Oklahoma against, among other parties, (i) Oklahoma Center for Orthopaedic & Multispecialty Surgery ("OCOM"), a surgical hospital jointly owned by USPI, a healthcare system partner and physicians, (ii) Southwest Orthopaedic Specialists ("SOS"), an independent physician practice group, (iii) Tenet, and (iv) other related entities and individuals. The complaint alleges various violations of the FCA, the Anti-kickback Statute, the Stark law and the Oklahoma Medicaid False Claims Act. In May 2018, Tenet and its affiliates learned that they were parties to the suit when the court unsealed the complaint and the DOJ declined to intervene with respect to the issues involving Tenet, USPI, OCOM and individually named employees. In June 2018, the relator filed an amended complaint more fully describing the claims and adding additional defendants. Tenet, USPI, OCOM and individually named employees filed motions to dismiss the case in October 2018, but the court has not yet ruled on the motions. On February 11, 2019, the court granted a motion brought by the SOS defendants and the relator for a four-month stay so that those parties could continue conferring regarding the issues and claims in the case.

Pursuant to the obligations under our NPA, we reported the unsealed qui tam action to the DOJ, and we are investigating the claims contained in the amended complaint and cooperating fully with the DOJ. Because these proceedings and investigations are in preliminary stages, we are unable to predict with any certainty the terms, or potential impact on our business or financial condition, of any potential resolution of these matters.

Ordinary Course Matters

We are also subject to other claims and lawsuits arising in the ordinary course of business, including potential claims related to, among other things, the care and treatment provided at our hospitals and outpatient facilities, the application of various federal and state labor laws, tax audits and other matters. Although the results of these claims and lawsuits cannot be predicted with certainty, we believe that the ultimate resolution of these ordinary course claims and lawsuits will not have a material effect on our business or financial condition.

New claims or inquiries may be initiated against us from time to time. These matters could (1) require us to pay substantial damages or amounts in judgments or settlements, which, individually or in the aggregate, could exceed amounts, if any, that may be recovered under our insurance policies where coverage applies and is available, (2) cause us to incur substantial expenses, (3) require significant time and attention from our management, and (4) cause us to close or sell hospitals or otherwise modify the way we conduct business.

The following table presents reconciliations of the beginning and ending liability balances in connection with legal settlements and related costs recorded in continuing operations during the years ended December 31, 2018, 2017 and 2016. No amounts were recorded in discontinued operations in the 2018, 2017 and 2016 periods.

	Balances at Beginning of Period	Litigation and Investigation Costs	Cash Payments	Other	Balances at End of Period
Year Ended December 31, 2018	\$ 12	\$ 38	\$ (41)	\$ (1)	\$ 8
Year Ended December 31, 2017	\$ 12	\$ 23	\$ (23)	\$ —	\$ 12
Year Ended December 31, 2016	\$ 299	\$ 293	\$ (582)	\$ 2	\$ 12

For the years ended December 31, 2018, 2017 and 2016, we recorded net costs of \$38 million, \$25 million and \$293 million, respectively, in connection with significant legal proceedings and governmental investigations. Of these amounts, \$278 million for the year ended December 31, 2016 was attributable to accruals for the Clinica de la Mama matters.

NOTE 17. REDEEMABLE NONCONTROLLING INTERESTS IN EQUITY OF CONSOLIDATED SUBSIDIARIES

As part of the acquisition of United Surgical Partners International, Inc., we entered into a put/call agreement (the “Put/Call Agreement”) with respect to the equity interests in USPI held by our joint venture partners. In April 2016, we paid \$127 million to purchase shares put to us according to the Put/Call Agreement, which increased our ownership interest in USPI to approximately 56.3%. On May 1, 2017, we amended and restated the Put/Call Agreement to provide for, among other things, the acceleration of our acquisition of certain shares of USPI. Under the terms of the amendment, we paid Welsh Carson, on July 3, 2017, \$716 million for the purchase of these shares, which increased our ownership interest in USPI to 80.0%, as well as the final adjustment to the 2016 purchase price. In April 2018, we paid \$630 million for the purchase of an additional 15% ownership interest in USPI and the final adjustment to the 2017 purchase price, which increased our ownership interest in USPI to 95%.

In addition, we entered into a separate put call agreement (the “Baylor Put/Call Agreement”) with Baylor University Medical Center (“Baylor”) that contains put and call options with respect to the 5% ownership interest in USPI held by Baylor. Each year starting in 2021, Baylor may put up to one-third of their total shares in USPI held as of January 1, 2017. In each year that Baylor does not put the full 33.3% of USPI’s shares allowable, we may call the difference between the number of shares Baylor put and the maximum number of shares they could have put that year. In addition, the Baylor Put/Call Agreement contains a call option pursuant to which we have the ability to acquire all of Baylor’s ownership interest by 2024. We have the ability to choose whether to settle the purchase price for the Baylor put/call in cash or shares of our common stock.

Based on the nature of these put/call structures, the minority shareholders’ interests in USPI are classified as redeemable noncontrolling interests in the accompanying Consolidated Balance Sheets at December 31, 2018 and 2017.

The following table shows the changes in redeemable noncontrolling interests in equity of consolidated subsidiaries during the years ended 2018 and 2017:

	December 31,	
	2018	2017
Balances at beginning of period	\$ 1,866	\$ 2,393
Net income	190	239
Distributions paid to noncontrolling interests	(142)	(128)
Accretion of redeemable noncontrolling interests	173	33
Purchases and sales of businesses and noncontrolling interests, net	(667)	(671)
Balances at end of period	\$ 1,420	\$ 1,866

Our redeemable noncontrolling interests balances at December 31, 2018 and 2017 in the table above were comprised of \$431 million and \$519 million, respectively, from our Hospital Operations and other segment, \$713 million and \$1.137 billion, respectively, from our Ambulatory Care segment, and \$276 million and \$210 million, respectively, from our Conifer segment. Our net income (loss) attributable to redeemable noncontrolling interests for the years ended December 31, 2018 and 2017 respectively, in the accompanying Consolidated Statements of Operations were comprised of \$(25) million and \$18 million, respectively, from our Hospital Operations and other segment, \$151 million and \$170 million, respectively, from our Ambulatory Care segment, and \$64 million and \$51 million, respectively, from our Conifer segment.

Attachment J

March 25, 2019

4:01 P.M.

PATIENT TRANSFER AGREEMENT

THIS PATIENT TRANSFER AGREEMENT ("Agreement") is made and entered into by and between Tennessee Sports Medicine Surgery Center, LLC ("Center") and Summit Medical Center (Hospital).

HCA Health Services of
TN, Inc. dba *graham* WITNESSETH:

WHEREAS, Hospital operates to provide access to patient care for the residents of its service area; and

WHEREAS, Center is established for the purpose of providing ambulatory surgical care to residents of its service area; and

WHEREAS, Hospital and Center (the "Parties") have determined to enter into this Agreement in order to ensure continuity of care and treatment appropriate to the needs of each patient and to facilitate the transfer of patients between the respective Parties.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Hospital and Center agree as follows:

1. **TERM.** The term of this Agreement be one (1) year, effective January 1, 2009 and shall automatically renew for additional one (1) year terms on an annual basis unless terminated as provided herein.
2. **PURPOSE OF AGREEMENT.** The purpose of this Agreement is to provide for the orderly transfer of patients between Parties so as to facilitate the provision of appropriate and efficient care to patients.
3. **PATIENT TRANSFER.** The need for transfer of a patient pursuant to this Agreement shall be determined by the patient's attending physician. When such determination has been made and the consent of the patient or individual acting on the patient's behalf has been obtained, the transferring physician shall contact the receiving Party and request acceptance of the patient. Each Party agrees to accept the patient as promptly as possible provided that all conditions for transfer and admission are met and that it has the medical staff, personnel, equipment, financial resources, patient services, and space to accommodate the patient. Prior to moving any patient, the transferring Party must receive confirmation from the receiving Party that it can accept the patient.
4. **PROVISION OF INFORMATION TO EACH PARTY.** Each Party shall provide the other with the names and titles of persons authorized to initiate, confirm, and accept the transfer of patients on its behalf. The Parties agree to

provide each other information concerning the type of resources available and the type of patients and health conditions that the receiving Party is able to accept.

5. TRANSFER CONSENT. The transferring Party shall be responsible for obtaining consent to transfer from the patient or individual acting on the patient's behalf prior to transferring the patient.
6. UNSTABLE MEDICAL CONDITIONS. Except as hereafter provided, no patient shall be transferred pursuant to this Agreement who is in unstable condition.

An unstable patient may be transferred pursuant to this Agreement: (1) upon the request of the patient, or individual acting on the patient's behalf, after the patient or representative has been advised of the services available at the transferring Party and the risks/benefits of transfer; or, (2) upon written certification by the transferring physician that the medical benefits reasonably expected from the provision of appropriate medical treatment at the receiving Party outweigh any increased risk to the patient.

The transferring Party shall make every reasonable effort commensurate with staffing and facilities to stabilize the patient and minimize the risks to the patient's health.

7. MEDICAL RECORDS. Each Party agrees to provide the other upon transfer, or in the case of emergency transfer as promptly thereafter as possible, medical and administrative information including, where appropriate, the following:
 - a. Patient's name, address, telephone number, age, and name, address, and telephone number of the next of kin;
 - b. History of the injury or illness necessitating the transfer, and, in the case of an emergency condition, observations of signs or symptoms, and the preliminary diagnosis, if any;
 - c. The written consent of the patient, or individual acting on the patient's behalf, to the transfer, or the written certification of the transferring physician as above described;
 - d. Condition upon transfer;
 - e. Vital signs at time of transfer;
 - f. Treatment provided to the patient prior to transfer including any medications administered;

- g. Laboratory and x-ray findings;
- h. Fluids given, by type and volume, immediately prior to transfer;
- i. Name, address, and phone number of physician transferring or authorizing the transfer of the patient;
- j. Name of physician/designee at receiving Party who has accepted the transfer and to whom the patient is to be transferred and;
- k. Name of physician/designee at receiving Party who has been contacted about the Patient;
- l. Patient's third party billing information and
- m. Any additional information required by this Agreement or any applicable state regulation.

In the case of an emergency, particularly where the patient is unstable, this information shall be provided by the most expeditious means including telephonically, facsimile and, if reasonably possible, prior to or at the time of the arrival of the patient at the receiving Party, to be followed as soon as possible with originals or useable photocopies of the originals. Each Party further agrees that in the case of an emergency, or where the patient is unstable, the patient will be accompanied by a member of the transferring staff who will make themselves available to give verbal report and aide in family support.

Each Party agrees to supplement the above information as necessary for the proper care of the patient during transport and treatment following transfer.

8. CONFIDENTIALITY. The Parties agree that all medical records of patients undergoing transfer shall be treated as confidential so as to comply with all state and federal laws, rules and regulations regarding the confidentiality of patient records. In addition, each Party shall maintain the confidentiality of patient identifiable information and shall not disclose such information to third parties unless disclosure is agreed upon by both parties and consented to by the patient or responsible person, or otherwise required by law. In the event that the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") or regulations promulgated pursuant to HIPAA shall require specific language to be inserted in this Agreement, the parties hereby agree that this Agreement shall be deemed amended to the extent required by such regulations on the effective date of such regulations.

9. PAYMENT FOR SERVICES. The patient is primarily responsible for payment for care rendered by either Party. Each Party shall be responsible only for collecting its own payment for services rendered to the patient. No clause of this Agreement shall be construed to authorize either Party to look to the other for payment for services rendered to a patient transferred pursuant to this Agreement, except to the extent that such liability would exist separate and apart from this Agreement.
10. TRANSPORTATION OF PATIENT. The transferring Party shall be primarily responsible for providing or arranging for the transportation of the patient and the appropriate care of the patient during transportation. The receiving Party's responsibility for patient care shall commence upon arrival of the patient at the receiving Party. In the event that the receiving Party utilizes its own transportation service or otherwise arranges to transport the patient, then the receiving Party's responsibility for the patient's care shall begin upon the receiving Party's acceptance of the patient prior to transport. Any patient transferred to Hospital shall be accompanied by a Center registered nurse.
11. ADVERTISING AND PUBLIC RELATIONS. Neither Party shall use the name of the other Party in any promotional or advertising material unless review and approval of the intended advertisement shall first be obtained from the other Party. Neither Party shall make any statements or representations of any special relationship between them by virtue of this Agreement or represent that a patient enjoys any benefit from this Agreement which is not available at other facilities.
12. LIABILITY. Each Party shall be responsible for the acts and omissions of its own management, employees, agents or independent contractors and shall not be responsible for the acts and omissions of the management, employees, agents or independent contractors of the other Party.
13. INSURANCE. Each Party, at its own expense shall secure and maintain, or cause to be secured and maintained, comprehensive general liability insurance, professional liability insurance, and property damage insurance covering itself and its management, employees, agents and independent contractors providing minimum limits of liability as is usual and customary.
14. INDEPENDENT CONTRACTOR STATUS. Both Parties are independent contractors. Neither Party is authorized or permitted to act as an agent or employee of the other. Nothing in this Agreement shall in any way alter the control of the management, assets, and affairs of the respective Parties. Neither Party, by virtue of this Agreement, assumes any liability for any debts or obligations of either a financial or legal nature incurred by the other Party to this Agreement.

15. TERMINATION OF AGREEMENT.

- a. *Voluntary Termination.* This Agreement may be terminated by either Party at any time, and for any reason, by giving thirty (30) days written notice of its intention to withdraw from this Agreement, and by ensuring the continuity of care to Patients who already are involved in the transfer process. The terminating Party will be required to meet its commitments under the Agreement to all patients for whom the other Party has begun the transfer process in good faith.
- b. *Involuntary Termination.* This Agreement shall be terminated immediately upon the occurrence of any of the following:
 - i. Either Party is damaged to such an extent that its business is terminated or temporarily interrupted to the extent that it cannot accept or provide adequate care to patients;
 - ii. Either Party loses its license or accreditation;
 - iii. Either Party is no longer able to provide the service contemplated by this Agreement;
 - iv. Either Party is in default under any of the terms of this Agreement.

16. NOTICE. Any notice required to be given under this Agreement shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid, to the Parties as follows:

To Hospital: Summit Medical Center
5655 Frist Blvd
Hermitage, TN 37076

To Center: Tennessee Sports Medicine
Surgery Center, LLC
5002 Crossing Circle
Mt. Juliet, TN 37122

With a Copy to: HealthMark Partners, Inc.
40 Burton Hills Blvd
Suite 300
Nashville, TN 37215

17. FINANCIAL RECORDS – ACCESS. The Parties agree to retain and make available upon request for a period of four (4) years after the furnishing of such services as described in this contract, the contract, books, documents and records which are necessary to certify the nature and extent of the cost thereof when requested by the Secretary of Health and Human Services or the Comptroller General, or any of their duly authorized representatives.

If the Parties carry out any duties of this contract through a subcontract with a related organization valued at \$10,000 or more over a 12 month period, the subcontract shall also provide that the Secretary of Health and Human Services or the Comptroller General may have access to the subcontract and the subcontractor's books, documents and records necessary to verify the costs of the subcontract for a period of four (4) years after the services have been furnished.

This Provision relating to the above retention and production of documents is included because of possible application of Section 1395x(v)(1)(1) of the Social Security Act to this Agreement. If this section should be found inapplicable, then this clause shall be deemed to be inoperative and without force and effect.

18. ASSIGNMENT. Either Party hereto without the express written consent of the other Party shall not assign this Agreement in whole or in part; provided, however, that either Party fully may assign this Agreement to any successor in interest without the written consent of the other Party.
19. AMENDMENT. This agreement may be amended only by written agreement signed by the Parties hereto.
20. GOVERNING LAW. This Agreement is made and entered into in the State of Tennessee and shall be governed and construed in accordance with the laws of the State of Tennessee and the United States of America.
21. AGREEMENT NOT EXCLUSIVE. This Agreement is not exclusive and either Party is free to enter into such other and similar contracts with other parties as they, in their sole discretion, shall deem necessary or desirable. Nothing herein shall be construed as limiting the right of either Party to refer or transfer any patients to any institution or facility and nothing herein shall be construed as requiring or contemplating any compensation or remuneration in any form between the Parties arising from, or related to, the transfer or referral of any patient for any reason.
22. INVALID PROVISION. In the event that any portion of this Agreement shall be determined to be invalid or unenforceable, the remainder of this Agreement shall be deemed to continue to be binding upon the Parties hereto

in the same manner as if the invalid or unenforceable provision was not a part of this Agreement.

23. WAIVER. No waiver or any terms or condition of this Agreement by either Party shall be deemed in a continuing or further waiver of the same term or condition or a waiver of any other term or condition of this Agreement.
24. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties and contains all of the agreements between them with respect to the subject matter thereof and supersedes any and all other agreements, either oral or in writing, between the Parties hereto with respect to the subject matter hereof.
25. BINDING AGREEMENT. This Agreement shall be binding upon the Parties and their successors or assigns.
26. HEADINGS. The headings to the various sections of this Agreement have been inserted for convenience only and shall not modify, define, limit, or expand express provisions of this Agreement

IN WITNESS WHEREOF, The Parties have caused this Agreement to be executed as of the day and year first above written.

Summit Medical Center

By: May Ann Angles
Title: Chief Nursing Officer

Date: 7.11.08

Tennessee Sports Medicine Surgery Center, LLC

By: Chitra S. Samset-Sole
Title: V P Clinical Operations

Date: 7/21/08

Attachment K

March 25, 2019

4:01 P.M. PRINTED: 07/06/2016

FORM APPROVED

OMB NO. 0938-0391

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 44C0001188	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 06/29/2016
NAME OF PROVIDER OR SUPPLIER PROVIDENCE SURGERY CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 5002 CROSSING CIRCLE SUITE 110 MOUNT JULIET, TN 37122		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
Q 105	<p>416.44(c) EMERGENCY EQUIPMENT</p> <p>The ASC medical staff and governing body of the ASC coordinates, develops, and revises ASC policies and procedures to specify the types of emergency equipment required for use in the ASC's operating room. The equipment must meet the following requirements:</p> <p>(1) Be immediately available for use during emergency situations. (2) Be appropriate for the facility's patient population. (3) Be maintained by appropriate personnel.</p> <p>This STANDARD is not met as evidenced by: Based on review of facility policy, observation, and interview, the facility failed to ensure expired intravenous fluids were not available for patient use.</p> <p>The findings included:</p> <p>Review of facility policy "Expired Medications" dated 1/09, revealed "...the purpose of this policy is to establish consistent guidelines to ensure that the facility has a mechanism in place to remove all expired medications from medication storage areas where they may be administered to a patient...once per month the medication nurse will check all medications within the facility for expiration dates...once per month the consulting pharmacist will check all medications for expiration date..."</p> <p>Observation of the emergency cart on 6/28/16 at 10:20 AM, in the Post Anesthesia Care Unit (PACU), revealed the following expired intravenous fluids: (3) 1000 ml (milliliters) of 0.9 % Normal Saline (intravenous fluids) with an expiration date of 4/16; (1) 500 cc bag of</p>	Q 105	<p>All expired medications and supplies were removed from stock and discarded appropriately. Clinical coordinator will review medications on 1st day of calendar month, remove expired medications and attach document findings on pharmacy audit tool. Policy reviewed with staff. Administrator will provide ongoing monitoring for compliance.</p>	7/14/16	

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

ADMINISTRATOR

7/21/16

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

March 25, 2019

4:01 P.M. PRINTED: 07/06/2016

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OMB NO. 0938-0391

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 44CD001169	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 06/29/2016
NAME OF PROVIDER OR SUPPLIER PROVIDENCE SURGERY CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 5002 CROSSING CIRCLE SUITE 110 MOUNT JULIET, TN 37122		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)		(X5) COMPLETION DATE
Q 105	Continued From page 1 Hetastarch (plasma volume expander) with an expiration date of 3/16. Further observation revealed (1) 50 ml bottle of Ultrasound lubricant with an expiration date of 5/15. Interview with the facility Administrator on 6/28/16 at 11:30 AM, in the PACU, confirmed the intravenous fluids were expired and were available for patient use.	Q 105			
Q 161	416.47(a) ORGANIZATION The ASC must develop and maintain a system for the proper collection, storage, and use of patient records. This STANDARD is not met as evidenced by: Based on medical record review and interview, the facility failed to maintain a medical record for 1 patient record (#8) of 21 records requested for review. The findings included: Upon entry into the facility on 6/27/16, medical record #4081 was requested along with 20 other medical records for review. Interview with the Administrator on 6/28/16 at 10:00 AM, in the breakroom, confirmed the record could not be found for review.	Q 161	As of today the MR has NOT been located. Staff and physicians educated to policy regarding charts. A medical records sign out log has been initiated and staff has been educated on use. Administrator will monitor for compliance and perform monthly audit of 20% of records going forward.		7/21/16
Q 162	416.47(b) FORM AND CONTENT OF RECORD The ASC must maintain a medical record for each patient. Every record must be accurate, legible, and promptly completed. Medical records must include at least the following:	Q 162			

March 25, 2019

4:01 P.M. PRINTED: 07/06/2016

FORM APPROVED

OMB NO. 0938-0391

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 44C0001169	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 06/29/2016
NAME OF PROVIDER OR SUPPLIER PROVIDENCE SURGERY CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 5002 CROSSING CIRCLE SUITE 110 MOUNT JULIET, TN 37122		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
Q 162	<p>Continued From page 2</p> <p>(1) Patient identification.</p> <p>(2) Significant medical history and results of physical examination.</p> <p>(3) Pre-operative diagnostic studies (entered before surgery), if performed.</p> <p>(4) Findings and techniques of the operation, including a pathologist's report on all tissues removed during surgery, except those exempted by the governing body.</p> <p>(5) Any allergies and abnormal drug reactions.</p> <p>(6) Entries related to anesthesia administration.</p> <p>(7) Documentation of properly executed informed patient consent.</p> <p>(8) Discharge diagnosis.</p> <p>This STANDARD is not met as evidenced by: Based on review of facility policy, medical record review, and interview, the facility failed to ensure a verbal order was signed by the physician for 1 patient (#11) and failed to ensure the medical record was complete for 1 patient (#1) of 20 patients reviewed.</p> <p>The findings included:</p> <p>Review of the facility's Admission Policy, last revised on 11/10, revealed "...verbal orders will be signed by the ordering physician..."</p> <p>Medical record review revealed Patient #11 was admitted to the facility on 3/10/16 for a Carpal Tunnel Release and discharged from the facility the same day.</p> <p>Medical record review of the Pre-Operative Orders revealed the Registered Nurse (RN) received a verbal order from the physician to implement the pre-operative orders on 2/24/16 at</p>	Q 162	<p>Reviewed policy with staff, physicians and medical director.</p> <p>Staff will ensure physician signatures with date, time completed appropriately.</p> <p>Monthly chart audits will occur on 10% or 10 charts, whichever number is greater. Findings will be reviewed with MEC/governing board and actions taken as defined by Facility by-laws</p>	7/19/16	

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 07/06/2016
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 44C0001169	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 06/29/2016
NAME OF PROVIDER OR SUPPLIER PROVIDENCE SURGERY CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 5002 CROSSING CIRCLE SUITE 110 MOUNT JULIET, TN 37122		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
Q 162	Continued From page 3 9:05 AM. Further review revealed the verbal order was not signed by the physician. Interview with the facility Administrator on 6/29/16 at 11:15 AM, in the break room, confirmed the verbal order was not signed by the physician. Medical record review revealed Patient #1 was admitted to the facility on 6/26/16 for a Left Lumbar 4-Sacral 1 Radiofrequency Ablation (surgical pain procedure) and was discharged the same day. Medical record review of the Day Surgery Post-Op orders and Progress Notes with no date or time, revealed no documentation of progress notes, post-op orders, or discharge orders. Interview with the facility Administrator on 6/29/16 at 11:15 AM, in the break room room, confirmed there were no discharge orders or post-operative notes written by the physician.	Q 162			
Q 241	416.51(a) SANITARY ENVIRONMENT The ASC must provide a functional and sanitary environment for the provision of surgical services by adhering to professionally acceptable standards of practice. This STANDARD is not met as evidenced by: Based on observation, review of manufacturer's recommendations, review of facility policy, and interview, the facility failed to ensure the facility's glucometer (device used to measure blood glucose levels) was a medically approved device for use on multiple patients; failed to ensure expired intravenous fluids were not available for	Q 241			

March 25, 2016 08/016

4:01 P.M.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICESPRINTED: 07/06/2016
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 44C0001169	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 06/29/2016
NAME OF PROVIDER OR SUPPLIER PROVIDENCE SURGERY CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 5802 CROSSING CIRCLE SUITE 110 MOUNT JULIET, TN 37122		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
Q 241	<p>Continued From page 4</p> <p>patient use; failed to follow standard infection control guidelines for the wearing of surgical attire; and failed to maintain a sanitary environment for glove use.</p> <p>The findings included:</p> <p>Observation on 6/27/16 at 11:00 AM, in the pre-operative area, revealed 1 blood glucose monitor.</p> <p>Review of the blood glucose monitor manufacturer's recommendations revealed "...the [named blood glucose machine] is intended to be used by a single person and should not be shared...the system is intended to be used by a single person and should not be shared..." Further review revealed "...the meter and lancing device should never be used by more than one person. Do not share the meter and lancing device with anyone, including family member due to the risk of infection from blood borne pathogens. Do not use on multiple patients..."</p> <p>Review of the facility's blood glucose monitoring logs revealed the machine had been used the previous day on a patient. Further review revealed Quality Assurance checks had been performed each day the machine was used on a patient.</p> <p>Interview with the facility's Administrator on 6/27/16 at 11:15 AM, in the pre-operative area, revealed "...we always use a single lancet device on each patient but the machine is used on any patient for which a blood glucose level is needed..." Further interview confirmed the blood glucose machine was used for all patients and confirmed the manufacturer's recommendations</p>	Q 241	<p>Non-compliant blood glucose monitor removed from service. Glucometer approved for use by healthcare professionals has been obtained. Policy, procedure, competency has been updated and staff trained on use. FDA 501K statement on file for glucometer.</p>	7/22/16	

March 25, 2019

4:01 P.M.

PRINTED: 07/06/2016

FORM APPROVED

OMB NO. 0938-0391

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 44C0001169	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 06/29/2016
NAME OF PROVIDER OR SUPPLIER PROVIDENCE SURGERY CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 5002 CROSSING CIRCLE SUITE 110 MOUNT JULIET, TN 37122		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
Q 241	<p>Continued From page 5</p> <p>revealed the machine was not to be used on multiple patients.</p> <p>Observation on 6/28/16 at 11:00 AM, in the pain procedure room, revealed (2) needles used for epidural administration with an expiration date of 4/15.</p> <p>Interview with the facility Administrator on 6/28/16 at 11:30 AM, in the PACU, confirmed the needles were expired and were available for patient use.</p> <p>Observation of the PACU on 6/28/16 at 11:13 AM, revealed the delivery person from the contracted outside linen service delivering clean scrubs to the changing rooms. Continued observation at 11:20 AM, revealed the delivery person exited the changing rooms wearing gloves and carrying a full dirty linen bag. Further observation revealed the delivery person sat the dirty linen bag down on the floor in front of the covered clean linen cart and proceeded to lift the cover of the clean linen cart. Further observation revealed the contracted delivery person was sorting and taking inventory for replacement linen touching the clean linen with the dirty gloves.</p> <p>Interview with the Administrator on 6/28/16 at 11:30 AM, in the PACU, confirmed the delivery person was not to be wearing dirty gloves when touching the clean linen.</p> <p>Review of facility policy "Surgical Attire", last revised 4/12, revealed "... head covers: the facility center provides a variety of paper head covers for use in surgery and located in the locker rooms...a clean head cover is worn daily..."</p> <p>Observation on 6/28/16 at 2:40 PM, in the men's</p>	Q 241	<p>Expired supplies immediately removed from inventory. Supplies will be checked on 1st operational day of month by materials manager. It and document findings on Expired Supplies Log. Visible labels placed on bins denoting earliest expiration date. Staff educated to policy regarding expired supplies. Ongoing monitoring will be performed by administrator.</p> <p>linen provider contacted and notified of findings. On-spot correction made at time of findings. Staff to provide visual monitor of provider and notify administrator of any deficiency. Staff educated.</p>	<p>7/19/16</p> <p>7/19/16</p>	

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Q 241	Continued From page 6 locker room, revealed a trash can with a surgical cap located in the trash can. Further observation revealed the Certified Surgical Technician (CST) walked through the men's locker room, took the dirty surgical cap out of the dirty trash can where dirty shoe covers were located, placed the dirty surgical cap on his head and walked into the clean operative area where proper surgical attire was required. Further observation revealed the CST went into the dirty contaminated equipment room, cleaned the dirty soiled equipment, and then entered the sterile side with the same surgical cap on the CST's head. Interview with the CST on 6/28/16 at 3:00 PM, in the break room, confirmed the CST took the used dirty surgical cap from the dirty trash can and placed the dirty cap on his head prior to entering the operative area where proper surgical attire was required. Interview with the facility's Administrator on 6/28/16 at 3:01 PM, in the break room, confirmed the facility's policy for proper surgical attire and standard infection control guidelines was not followed.	Q 241	Reviewed policy with all staff regarding surgical attire and infection control. Infection control nurse will monitor for compliance and report finding at quarterly IC meeting. IC nurse will observe 20 observations per month.	7/19/16	
Q 262	416.52(a)(2) PRE-SURGICAL ASSESSMENT Upon admission, each patient must have a pre-surgical assessment completed by a physician or other qualified practitioner in accordance with applicable State health and safety laws, standards of practice, and ASC policy that includes, at a minimum, an updated medical record entry documenting an examination for any changes in the patient's condition since completion of the most recently documented medical history and physical assessment,	Q 262			

March 25, 2019

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STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 44C0001168	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 06/29/2016
NAME OF PROVIDER OR SUPPLIER PROVIDENCE SURGERY CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 6002 CROSSING CIRCLE SUITE 110 MOUNT JULIET, TN 37122		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
Q 262	Continued From page 7 including documentation of any allergies to drugs and biologicals. This STANDARD is not met as evidenced by: Based on medical record review and interview, the facility failed to ensure a pre-procedure assessment was completed prior to a surgical intervention for 1 patient (#18) of 20 patients reviewed. The findings included: Medical record review revealed Patient #18 was admitted to the facility on 6/2/16 for a Right Ankle Distal Fibula Open Reduction Internal Fixation (ORIF) and was discharged the same day. Medical record review of the pre-procedure History and Physical dated 6/2/16 revealed the physician signed the assessment but no date or time was documented to indicate when the assessment was performed. Interview with the facility Administrator on 6/29/16 at 11:15 AM, in the break room, confirmed the physician failed to document a time or date to indicate when the pre-procedure assessment was performed.	Q 262	Reviewed policy with staff, physicians and medical director. Staff will ensure physician documentation, signatures, with date : time completed appropriately. Monthly chart audits will occur on 10% or 10 charts, whichever number is greater. Findings will be reviewed with MEL/governing board and actions taken as desired by facility by laws	7/19/16	
Q 266	416.52(c)(2) DISCHARGE - ORDER [The ASC must -] Ensure each patient has a discharge order, signed by the physician who performed the surgery or procedure in accordance with applicable State health and safety laws, standards of practice, and ASC policy.	Q 266			

March 25, 2019

4:01 P.M.

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NAME OF PROVIDER OR SUPPLIER PROVIDENCE SURGERY CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 5002 CROSSING CIRCLE SUITE 110 MOUNT JULIET, TN 37122		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCY (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
Q 266	Continued From page 8 This STANDARD is not met as evidenced by: Based on review of facility policy, medical record review, and interview, the facility failed to ensure a discharge order was written for 1 patient (#1) of 20 patients reviewed. The findings included: Review of facility policy Pre-Operative/Post-Operative Visits last revised on 4/09, revealed "...PACU [Post Anesthesia Care Unit] staff cannot discharge the patient without a written or verbal discharge order from the anesthesiologist and a written discharge order signed by the physician who performed the surgery or procedure in accordance with applicable State and safety laws, standards of practice, and ASC [Ambulatory Surgery Center] policy..." Medical record review revealed Patient #1 was admitted to the facility on 6/26/16 for a Left Lumbar 4-Sacral 1 Radiofrequency Ablation (surgical pain procedure) and was discharged the same day. Medical record review of the Day Surgery Post-Op orders and Progress Notes with no date or time, revealed no documentation of discharge orders. Interview with the facility Administrator on 6/29/16 at 11:15 AM, in the break room room, confirmed there were no discharge orders written by the physician.	Q 266	Reviewed policy with staff, physicians and medical director. Staff will ensure physician documentation of orders, signatures with date. Time are completed appropriately. Monthly chart audits will occur on 10% or 10 charts, whichever number is greater. Findings will be reviewed with MEL/GS and actions taken as defined by facility bylaws.	7/19/16	

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP535199	(X2) MULTIPLE CONSTRUCTION A. BUILDING: _____ B. WING: _____		(X3) DATE SURVEY COMPLETED 06/29/2016
NAME OF PROVIDER OR SUPPLIER PROVIDENCE SURGERY CENTER		STREET ADDRESS, CITY, STATE, ZIP CODE 5002 CROSSING CIRCLE SUITE 110 MOUNT JULIET, TN 37122			
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
A 002	1200-8-10 No Deficiencies During a State Licensure Survey completed 6/29/16, no deficiencies were cited under 1200-8-10, Standards for Ambulatory Surgical Treatment Centers.	A 002			

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

STATE FORM

0800

YP2G11

If continuation sheet 1 of 1

189

Supplemental #1

March 25, 2019

4:01 P.M. PRINTED: 06/30/2016

FORM APPROVED
OMB NO. 0938-0391

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 44C0001169	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING B. WING _____		(X3) DATE SURVEY COMPLETED 06/28/2016
NAME OF PROVIDER OR SUPPLIER PROVIDENCE SURGERY CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 5002 CROSSING CIRCLE SUITE 110 MOUNT JULIET, TN 37122		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
K9999	FINAL OBSERVATIONS During the Life Safety survey conducted on 06/28/2016, no deficiencies were cited under the Life Safety Code.	K9999			

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

ADMINISTRATOR

7/22/16

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that
other safeguards provide sufficient protection to the patients. (See Instructions.) Except for nursing homes, the findings stated above are disclosable 90 days
following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14
days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued
program participation.

March 25, 2019

4:01 P.M. PRINTED: 06/30/2016
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Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP535199	(X2) MULTIPLE CONSTRUCTION A. BUILDING: 01 - MAIN BUILDING B. WING: _____		(X3) DATE SURVEY COMPLETED 06/28/2016
NAME OF PROVIDER OR SUPPLIER PROVIDENCE SURGERY CENTER		STREET ADDRESS, CITY, STATE, ZIP CODE 5002 CROSSING CIRCLE SUITE 110 MOUNT JULIET, TN 37122			
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A 801	1200-8-10-.08 (1) Building Standards (1) An ASTC shall construct, arrange, and maintain the condition of the physical plant and the overall ASTC environment in such a manner that the safety and well-being of the patients are assured. This Rule is not met as evidenced by: Based on observations the facility failed to maintain the overall environment. The findings included: Observation on 06/28/2016 at 10:03 AM, revealed a ceiling tile not seated properly in the janitorial closet. This finding was verified and acknowledged by the administrator on 06/28/2016.	A 801	Notified building maintenance, property manager. Walk through of facility occurred and ceiling tiles seated accordingly.	7/14/16	
A 818	1200-8-10-.08 (18) Building Standards (18) It shall be demonstrated through the submission of plans and specifications that in each ASTC a negative air pressure shall be maintained in the soiled utility area, toilet room, janitor's closet, dishwashing and other such soiled spaces, and a positive air pressure shall be maintained in all clean areas including, but not limited to, clean linen rooms and clean utility rooms. This Rule is not met as evidenced by: Based on observations, the facility failed to maintain negative air pressure.	A 818	Notified property manager, building maintenance and HVAC contractor. Quote received and approved. To install appropriate ventilation to obtain neg. pressure environment.	8/11/16	

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X5) DATE

STATE FORM

8500

YP2G21

ADMINISTRATOR

7/24/16

If continuation sheet 1 of 2

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP535199	(X2) MULTIPLE CONSTRUCTION A. BUILDING: 01 - MAIN BUILDING B. WING: _____	(X3) DATE SURVEY COMPLETED 06/28/2016
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NAME OF PROVIDER OR SUPPLIER

PROVIDENCE SURGERY CENTER

STREET ADDRESS, CITY, STATE, ZIP CODE

5002 CROSSING CIRCLE SUITE 110
MOUNT JULIET, TN 37122

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
A 818	Continued From page 1 The findings included: Observation on 06/28/2016 at 10:14 AM, revealed the Bio-Hazard room did not have negative air pressure. This finding was verified and acknowledged by the administrator on 06/28/2016.	A 818		
A 901	1200-8-10-.09 (1) Life Safety (1) Any ambulatory surgical treatment center which complies with the required applicable building and fire safety regulations at the time the board adopts new codes or regulations will, so long as such compliance is maintained (either with or without waivers of specific provisions), be considered to be in compliance with the requirements of the new codes or regulations. This Rule is not met as evidenced by: Based on observations, the facility failed to comply with applicable building and fire safety regulations. The findings included: 1. Observation on 06/28/2016 at 09:57 AM, revealed the medical records room door held open by a wedge. NFPA 80, 5.2.13 (2010 Edition) 2. Observation on 06/28/2016 at 10:00 AM, revealed the Anesthesia closet was held open by a shelf. NFPA 80, 5.2.13 (2010 Edition) These findings were verified and acknowledged by the administrator on 06/28/2016.	A 901	Immediately upon findings, door props removed. Staff educated and signage placed regarding door to remain closed. Administrator to monitor for compliance	7/19/16

March 25, 2019

4:01 P.M.

FAX TRANSMITTAL

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
HEALTH CARE FACILITIES

TO: Troy A. Damewood, Administrator

Providence Surgery Center

FAX NUMBER: (615) 553-9109 PHONE: (615) 553-9100

FROM: Tamra Turberville, RN, Regional Administrator/CVB

Health Care Facilities - ETRO

FAX NUMBER: (865) 594-5739

DATE: July 12, 2016

NUMBER OF PAGES INCLUDING THIS ONE: 16

IF YOU HAVE ANY QUESTIONS, CALL (865) 594-9396

SUBJECT/MESSAGE: Original Statement of Deficiencies is being mailed.

Your Plan of Correction is due in this office by July 22, 2016.

Thank You. CVB

CONFIDENTIALITY NOTICE: The information contained in this message is confidential and is intended solely for the use of the person or entity named above. This message may contain individually identifiable information that must remain confidential and is protected by state and federal law. If the reader of this message is not the intended recipient, the reader is hereby notified that any dissemination, distribution or reproduction of this message is strictly prohibited. If you have received this message in error, please immediately notify the sender by telephone and destroy the original message. We regret any inconvenience and appreciate your cooperation.

Attachment L

APR 25 19 04:01

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Davidson

NAME OF FACILITY: Providence Surgery Center

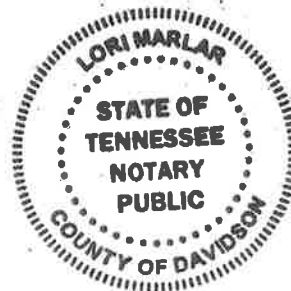
I, M. Corey Ridgway, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

MCR / Market President
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 25th day of March, 2019, witness my hand at office in the County of Davidson, State of Tennessee.

Lori Marlar
NOTARY PUBLIC

My commission expires September 6, 2022.



Supplemental #2 (Copy)

Tenn SM, LLC dba
Providence Surgery Center

Mt. Juliet (Wilson Co.)

CN1903-008

March 28, 2019

Hand Delivered

Mark Farber, Deputy Director
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

RE: Certificate of Need Application CN1903-008
Providence Surgery Center

Dear Mr. Farber:

Thank you for acknowledging receipt of our supplemental information to our application for a Certificate of Need for the relocation of an existing ambulatory surgical treatment center (ASTC) from 5002 Crossing Circle, Suite 110, Mt. Juliet (Wilson County), TN approximately one mile to the southwest corner of the Belinda Pkwy and Providence Trail, Mt. Juliet (Wilson County), TN. An additional procedure room will be added to the two existing operating rooms and procedure rooms. This letter and attachments respond to your request for clarification or additional discussion. As requested, responses are being submitted in triplicate by the 12:00 p.m., Thursday, March 28, 2019 deadline.

1. Section A, Executive Summary, 2) Ownership Structure

Your response to this item is noted. Please identify each member and each member's percentage of ownership for the following LLCs:

- St. Thomas/USP Surgery Centers, LLC
- KLN Management, LLC
- Any other LLCs that are part of the previous two LLCs.

RESPONSE: Ownership in these two LLCs is presented below.

Saint Thomas/USP Surgery Centers, LLC

- 50.1% - USP Tennessee, Inc.
- 49.9% - Saint Thomas Health

KLN Management, LLC

- 100% - Keith Nord, MD, orthopaedic surgeon

2. Section B, Need, (Specific Criteria –ASTC) Items 1. and 4.

It is understood that there is not a database tracking where all the cases noted in Attachment F are currently being performed; however can the applicant identify those existing outpatient surgical providers that will most likely be impacted by the proposed project based on the surgeons' current practice patterns?

RESPONSE: As a relocation of an existing ASTC approximately one mile, the vast majority of the projected cases will be transferred from the current Providence location to the proposed Providence location.

Urology Associates, PC (Nashville Urology) also has expressed its intent to transfer its Mt. Juliet/Wilson County area cases now being performed at its Urology Surgery Center in Nashville to the new Mt. Juliet location.

Tennessee Orthopaedic Alliance (TOA) physicians will take space in the new building along with Providence. They intend to transfer their Mt. Juliet/Wilson County area cases now being performed at Saint Thomas/USPI joint venture ASTCs in the Nashville area to the new Mt. Juliet location.

Extremely strong population growth and aging populations in Mt. Juliet, Wilson County and the remainder of the service area will allow Providence to achieve its projections with minimal impact on these and other existing providers.

3. Section B, Need, Item E (Existing Services)

The outpatient surgical cases reported for service area hospitals appears incorrect. Please review service area hospital JARs and make the necessary corrections.

RESPONSE: This information was originally provided in Supplemental 1, Attachment G. The 2015 JAR form provided only overall encounter and procedure data. The 2016 and 2017 JAR forms provided cases by specialty. Therefore, comparisons across all three years are extremely difficult.

A replacement table is provided here in **Attachment A**. 2016 and 2017 data now include endoscopy and pain management cases in the totals.

4. Section B. Contribution to Orderly Development Item A.

The emergency transfer agreement provided is between Summit Medical Center and Tennessee Sports Medicine Surgery Center, LLC. Is this transfer agreement still valid? If not, please submit a revised transfer agreement.

RESPONSE: The emergency transfer agreement with Summit Medical Center is still valid. The applicant, Tenn SM, LLC d/b/a Providence Surgery Center was formerly known as

Tennessee Sports Medicine Surgery Center, LLC. The applicant assumed and maintains this original transfer agreement.

Also, another transfer agreement between Tenn SM, LLC d/b/a Providence Surgery Center and Skyline Medical Center is provided in **Attachment B**.

5. Section B. Contribution to Orderly Development Item D.

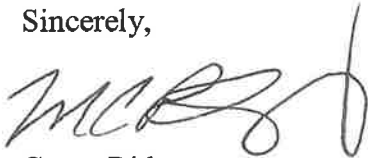
There is a fax cover page that indicates that a plan of correction was due by July 22, 2016. There is no documentation indicating that a Plan of Correction was submitted by July 22, 2016 or that the Plan of Correction was accepted. Please provide this documentation.

RESPONSE: The Plan of Correction was accepted by the Tennessee Department of Health effective August 11, 2016. Please see **Attachment C**.

A notarized affidavit accompanies these responses and is found at **Attachment D**. On behalf of Providence Surgery Center, we look forward to having this application deemed complete to start the formal review process.

This information is being submitted in triplicate.

Sincerely,



Corey Ridgway
Market President
Ambulatory Operations

attachments

Attachment A

OP Surgical Cases By Hospital, 2015 - 2017

Excludes Endoscopy and Pain Management

County	Hospital	2015 Encounters	2016 Cases	2017 Cases	% Change 2015-2017
Davidson	Metro Nashville General Hospital	2,707	1,532	1,495	-44.8%
Davidson	Saint Thomas Hospital for Spinal Surgery	2,270	2,505	2,238	-1.4%
Davidson	Saint Thomas Midtown	5,556	5,954	6,278	13.0%
Davidson	Saint Thomas West	3,699	3,990	3,940	6.5%
Davidson	Tristar Centennial Medical Center	13,155	15,802	16,082	22.3%
Davidson	Tristar Skyline Medical Center	2,319	3,838	3,119	34.5%
Davidson	Tristar Southern Hills Medical Center	2,412	2,348	2,375	-1.5%
Davidson	Tristar Summit Medical Center	3,119	3,110	3,104	-0.5%
Davidson	Vanderbilt University Hospital	33,575	35,724	46,011	37.0%
Rutherford	Saint Thomas Rutherford Hospital	4,992	5,378	5,123	2.6%
Rutherford	TriStar StoneCrest Medical Center	5,455	2,891	3,060	-43.9%
Wilson	University Medical Center	9,427	2,519	3,088	-67.2%
	Total	88,686	85,591	95,913	8.1%

Source: Tennessee JARs

Note: 2016 & 2017 data is OP surgical cases excluding endoscopy and pain management

2015 data is outpatient surgical encounters, (University Medical Center posts procedures only in 2015)

OP Surgical Cases By Hospital, 2015 - 2017

Includes Endoscopy and Pain Management

County	Hospital	2015 Encounters	2016 Cases	2017 Cases	% Change 2015-2017
Davidson	Metro Nashville General Hospital	2,707	2,641	2,509	-7.3%
Davidson	Saint Thomas Hospital for Spinal Surgery	2,270	2,505	2,238	-1.4%
Davidson	Saint Thomas Midtown	5,556	8,220	8,772	57.9%
Davidson	Saint Thomas West	3,699	6,302	5,825	57.5%
Davidson	Tristar Centennial Medical Center	13,155	25,868	25,233	91.8%
Davidson	Tristar Skyline Medical Center	2,319	5,098	4,121	77.7%
Davidson	Tristar Southern Hills Medical Center	2,412	5,056	5,135	112.9%
Davidson	Tristar Summit Medical Center	3,119	4,199	4,164	33.5%
Davidson	Vanderbilt University Hospital	33,575	43,117	53,217	58.5%
Rutherford	Saint Thomas Rutherford Hospital	4,992	6,760	6,380	27.8%
Rutherford	TriStar StoneCrest Medical Center	5,455	5,601	6,430	17.9%
Wilson	University Medical Center	9,427	3,595	4,459	-52.7%
	Total	88,686	118,962	128,483	44.9%

Source: Tennessee JARs

Note: 2016 & 2017 data is OP surgical cases

2015 data is outpatient surgical encounters, (University Medical Center posts procedures only in 2015)

Attachment B

FACILITY TRANSFER AGREEMENT (Revised 11-2009)

This Transfer Agreement (the "Agreement") is made as of this 1st day of August, 20 11, by and between: TENN SM, LLC d/b/a Providence Surgery Center and HTI Memorial Hospital Corporation dba Skyline Medical Center, each individually referred to herein as "facility," or "Transferring Facility" if transferring a Patient, or "Receiving Facility" if receiving a Patient, pursuant to the terms and provisions of this Agreement, and collectively as "facilities."

WITNESSETH:

WHEREAS, the parties hereto desire to enter into this Agreement governing the transfer of patients between the two facilities; and

WHEREAS, the parties hereto desire to enter into this Agreement in order to specify the rights and duties of each of the parties and to specify the procedure for ensuring the timely transfer of Patients between the facilities;

NOW, THEREFORE, to facilitate the continuity of care and the timely transfer of Patients and records between the facilities, the parties hereto agree as follows:

1. **Transfer of Patients.** In the event any Patient of either facility is deemed by that facility (the "Transferring Facility") as requiring the services of the other facility (the "Receiving Facility") and the transfer is deemed medically appropriate, a member of the nursing staff of the Transferring Facility or the Patient's attending physician will contact the admitting office or Emergency Department of the Receiving Facility to arrange for appropriate treatment as contemplated herein. All transfers between the facilities shall be made in accordance with applicable federal and state laws and regulations, the standards of the Joint Commission on the Accreditation of Healthcare Organizations ("JCAHO") and any other applicable accrediting bodies, and reasonable policies and procedures of the facilities. Neither the decision to transfer a Patient nor the decision to not accept a request to transfer a Patient shall be predicated upon arbitrary, capricious, or unreasonable discrimination or based upon the Patient's inability to pay for services rendered by either facility. The Receiving Facility's responsibility for the Patient's care shall begin when the Patient is admitted to the Receiving Facility.

2. **Responsibilities of the Transferring Facility.** The Transferring Facility shall be responsible for performing or ensuring performance of the following:

- (A) Provide, within its capabilities, for the medical screening and stabilizing treatment of the Patient prior to transfer;
- (B) Arrange for appropriate and safe transportation and care of the Patient during transfer, in accordance with applicable federal and state laws and regulations;
- (C) Designate a person who has authority to represent the Transferring Facility and coordinate the transfer of the Patient from the facility;
- (D) Notify the Receiving Facility's designated representative prior to transfer to receive confirmation as to availability of appropriate facilities, services, and staff necessary to provide care to the Patient;
- (E) Prior to Patient transfer, the transferring physician shall contact and secure a receiving physician at the Receiving Facility who shall attend to the medical needs of the Patient and who will accept responsibility for the Patient's medical treatment and hospital care;
- (F) Provide, within its capabilities, appropriate personnel, equipment, and services to assist the transferring physician with the coordination and transfer of the Patient;
- (G) Provide, within its capabilities, personnel, equipment, and life support measures determined appropriate for the transfer of the Patient by the transferring physician;
- (H) Forward to the receiving physician and the Receiving Facility a copy of those portions of the Patient's medical record that are available and relevant to the transfer and continued care of the Patient, including records related to the Patient's condition, observations of signs or symptoms, preliminary diagnosis, treatment provided, results of any tests, and with respect to a Patient with an emergency medical condition that has not been stabilized, a copy of the Patient's informed consent to the transfer or physician certification that the medical benefits of the transfer outweigh the risk of transfer. If all necessary and relevant medical

records are not available at the time the Patient is transferred, then the records will be forwarded by the Transferring Facility as soon as possible;

- (I) Transfer the Patient's personal effects, including, but not limited to, money and valuables, and information related to those items;
- (J) Notify the Receiving Facility of the estimated time of arrival of the Patient;
- (K) Provide for the completion of a certification statement, summarizing the risk and benefits of the transfer of a Patient with an emergency condition that has not been stabilized, by the transferring physician or other qualified personnel if the physician is not physically present at the facility at the time of transfer;
- (L) Acknowledge any contractual obligations and comply with any statutory or regulatory obligations that might exist between a Patient and a designated provider;
- (M) Recognize the right of a Patient to request to transfer into the care of a physician and facility of the Patient's choosing;
- (N) Recognize the right of a Patient to refuse consent to treatment or transfer;
- (O) Complete, execute, and forward a memorandum of transfer form to the Receiving Facility for every Patient who is transferred;
- (P) Establish a policy and/or protocols (i) for maintaining the confidentiality of the Patient's medical records in accordance with applicable state and federal law, and (ii) for the inventory and safekeeping of any Patient valuables sent with the Patient to the Receiving Facility; and,
- (Q) Recognize and comply with the requirements of any state law and regulations or local ordinances that apply to the care and transfer of Patients.

3. **Responsibilities of the Receiving Facility.** The Receiving Facility shall be responsible for performing or ensuring performance of the following:

- (A) Provide, as promptly as possible, confirmation to the Transferring Facility regarding the availability of bed(s), appropriate facilities, services, and staff necessary to treat the Patient and confirmation that the Receiving Facility has agreed to accept transfer of the Patient. The Receiving Facility shall respond to the Transferring Facility within thirty (30) minutes after receipt of the request to transfer a Patient with an emergency medical condition or in active labor;
- (B) Provide, within its capabilities, appropriate personnel, equipment, and services to assist the receiving physician with the receipt and treatment of the Patient transferred, maintain a call roster of physicians at the Receiving Facility and provide, on request, the names of on-call physicians to the Transferring Facility;
- (C) Reserve beds, facilities, and services as appropriate for Patients being transferred from the Transferring Facility who have been accepted by the Receiving Facility and a receiving physician, if deemed necessary by a transferring physician unless such are needed by the Receiving Facility for an emergency;
- (D) Designate a person who has authority to represent and coordinate the transfer and receipt of Patients into the facility;
- (E) When appropriate and within its capabilities, assist with the transportation of the Patient as determined appropriate by the transferring or receiving physician.
- (F) Provide the Transferring Facility with a copy of the Patient's clinical or medical records, including any record generated in the emergency department;
- (G) Maintain the confidentiality of the Patient's clinical or medical records in accordance with applicable state and federal law;

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(H) Establish a policy and/or protocols (i) for maintaining the confidentiality of the Patient's information or medical records in accordance with applicable state and federal law, (ii) for the receipt of the Patient into the facility, and (iii) for the acknowledgment and inventory of any Patient valuables transported with the Patient;

(I) Provide for the return transfer of Patients to the Transferring Facility when requested by the Patient or the Transferring Facility and ordered by the Patient's attending/transferring physician, if the Transferring Facility has a statutory or regulatory obligation to provide health care assistance to the Patient, and if transferred back to the Transferring Facility, provide the items and services specified in Section 2 of this Agreement;

(J) Provide the Transferring Facility any information available about the Patient's coverage or eligibility under a third party coverage plan, Medicare or Medicaid, or a healthcare assistance program established by a county, public hospital, or hospital district;

(K) Upon request, provide current information concerning its eligibility standards and payment practices to the Transferring Facility and Patient;

(L) Acknowledge any contractual obligations and comply with any statutory or regulatory obligations that might exist between a patient and a designated provider;

(M) Complete, execute, and return the memorandum of transfer form to the Transferring Facility; and,

(N) Recognize and comply with the requirements of any state law and regulations or local ordinances that apply to the care and transfer of Patients.

4. **Billing.** All claims or charges incurred with respect to any services performed by either facility for Patients received from the other facility pursuant to this Agreement shall be billed and collected by the facility providing such services directly from the Patient, third party payer, Medicare or Medicaid, or other sources appropriately billed by that facility, unless applicable law and regulations require that one facility bill the other facility for such services. *In those cases in which the regulations apply, the facilities shall bill in accordance to the regulations that apply to skilled nursing facility prospective payment system ("SNF PPS") and consolidated billing. In those cases in which payment rates are consistent with SNF PPS regulations and have been negotiated, such payment shall be made at NA % of charges or in accordance with the payment fee schedule, labeled as Exhibit NA, attached hereto and incorporated herein by this reference.* In addition, it is understood that professional fees will be billed by those physicians or other professional providers who actually participate in the care and treatment of the Patient and who are entitled to bill for their professional services at usual and customary rates. Each facility agrees to provide information in its possession to the other facility and such physicians or professional providers sufficient to enable them to bill the Patient, responsible party, or appropriate third party payer.

5. **Transfer Back; Discharge; Policies.** At such time as the Patient is ready for transfer back to the Transferring Facility or another health care facility or discharge from the Receiving Facility, in accordance with the direction from the Transferring Facility and with the proper notification of the Patient's family or guardian, the Patient will be transferred to the agreed upon location. If the Patient is to be transferred back to the Transferring Facility, the Receiving Facility will be responsible for the care of the Patient up until the time the Patient is re-admitted to the Transferring Facility. Such transfers shall be conducted in accordance with HCA Healthcare Corporation Ethics and Compliance Policies and Procedures (e.g., *Discharge Planning and Referrals of Patients to Post Discharge Providers Policy, LL.HH.016 and EMTALA - Transfer Policy, EM.003*).

6. **Compliance with Law.** Both facilities shall comply with all applicable federal and state laws, rules and regulations, including, without limitation, those laws and regulations governing the maintenance of clinical or medical records and confidentiality of Patient information as well as with all standards promulgated by any relevant accrediting agency.

7. **Indemnification; Insurance.** The facilities shall each be responsible for their own acts and omissions in the performance of their duties hereunder, and the acts and omissions of their own employees and agents, and shall indemnify and hold harmless the other party from and against any and all claims, liabilities, causes of action, losses, costs, damages and expenses (including reasonable attorney's fees) incurred by the other party as a result of such acts and omissions. In addition, each party shall maintain, throughout the term of this Agreement, comprehensive general and professional liability insurance and property damage insurance coverage in amounts reasonably acceptable to the other party, and shall provide evidence of such coverage upon request.

8. **Term; Termination.** The term of this Agreement shall be for one (1) year and commence on the 1st day of August, 2011, and ending on the 31st day of July, 2012, unless sooner terminated as provided herein. Either party may terminate this Agreement without cause upon thirty (30) days advance written notice to the other party. Either party may terminate this Agreement

upon breach by the other party of any material provision of this Agreement, provided such breach is notified within five (5) days after receipt by the breaching party of written notice of such breach from the non-breaching party. In addition, this Agreement may be terminated immediately upon the occurrence of any of the following events:

- (A) Either facility closes or discontinues operation to such an extent that Patient care cannot be carried out adequately,
or
(B) Either facility loses its license, or Medicare certification.

The term of this Agreement shall automatically renew for additional one (1) year terms.

9. **Arbitration.** Any dispute or controversy arising under, out of or in connection with, or in relation to this Agreement, or any amendment hereof, or the breach hereof shall be determined and settled by arbitration in Davidson County, Tennessee, in accordance with the rules of the American Health Lawyers Association Alternative Dispute Resolution Services and applying the laws of the state specified in section 11 below. Any award rendered by the arbitrator shall be final and binding upon each of the parties, and judgment thereof may be entered in any court having jurisdiction thereof. The costs shall be borne equally by both parties. During the pendency of any such arbitration and until final judgment thereon has been entered, this Agreement shall remain in full force and effect unless otherwise terminated provided hereunder.

10. **Entire Agreement; Modification.** This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, and all other communications between the parties relating to such subject matter. This Agreement may not be amended or modified except by mutual written agreement.

11. **Governing Law.** This Agreement shall be construed in accordance with the laws of the State of Tennessee in which the facility affiliated with HCA is located.

12. **Partial Invalidity.** If any provision of this Agreement is prohibited by law or court decree of any jurisdiction, said prohibition shall not invalidate or affect the remaining provisions of this Agreement.

13. **Notices.** All notices hereunder by either party to the other shall be in writing, delivered personally, by certified or registered mail, return receipt requested, or by overnight courier, and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, postage prepaid, addressed as follows:

If to: HTI Memorial Hospital Corporation dba Skyline Medical Center
3441 Dickerson Pike
Nashville, Tennessee 37207

Attention: Chief Executive Officer

Copy to: One Park Plaza, P.O. Box 550
Nashville, Tennessee 37202-0550
Attention: General Counsel

If to: TENN SM, LLC dba Providence Surgery Center
5002 Crossing Circle, Suite 110
Mt. Juliet, Tennessee 37122

Attention:

or to such other persons or places as either party may from time to time designate by written notice to the other.

14. **Waiver.** A waiver by either party of a breach or failure to perform hereunder shall not constitute a waiver of any subsequent breach or failure.

15. **Assignment; Binding Effect.** Each facility shall not assign or transfer, in whole or in part, this Agreement or any of its rights, duties or obligations under this Agreement without the prior written consent of the other Facility, and any assignment or transfer by either Facility without such consent shall be null and void. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and permitted assigns.

March 28, 2019

11:57 A.M.

16. **Change in Law.** Notwithstanding any other provision of this Agreement, if the governmental agencies (or their representatives) which administer Medicare, any other payer, or any other federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation, or if any court of competent jurisdiction renders any decision or issues any order, at any time while this Agreement is in effect, which prohibits, restricts, limits or in any way substantially changes the method or amount of reimbursement or payment for services rendered under this Agreement, or which otherwise significantly affects either party's rights or obligations hereunder, either party may give the other notice of intent to amend this Agreement to the satisfaction of both parties, to compensate for such prohibition, restriction, limitation or change. If this Agreement is not so amended in writing within thirty (30) days after said notice was given, this Agreement shall terminate as of midnight on the thirtieth (30th) day after said notice was given.

17. **Warranty of Non-Exclusion.** Each party represents and warrants to the other that the party, its officers, directors and employees (i) are not currently excluded, debarred, or otherwise ineligible to participate in the federal health care programs as defined in 42 U.S.C. § 1320a-7b(f) (the "federal healthcare programs"), (ii) have not been convicted of a criminal offense related to the provision of healthcare items or services but have not yet been excluded, debarred, or otherwise declared ineligible to participate in the federal healthcare programs, and (iii) are not, to the best of its knowledge, under investigation or otherwise aware of any circumstances which may result in the party or any such individual being excluded from participation in the federal healthcare programs. This shall be an ongoing representation and warranty during the term of this Agreement and each party shall immediately notify the other of any change in the status of the representations and warranty set forth in this section. Any breach of this section shall give the other party the right to terminate this Agreement immediately for cause.

18. **HIPAA Compliance Requirements.** To the extent applicable to this Agreement, each party agrees to comply with the Health Information Technology for Economic and Clinical Health Act of 2009 (the "HITECH Act"), the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 USC § 1320d through d-8 ("HIPAA") and any current and future regulations promulgated under either the HITECH Act or HIPAA, including without limitation the federal privacy regulations contained in 45 C.F.R. Parts 160 and 164 (the "Federal Privacy Regulations"), the federal security standards contained in 45 C.F.R. Parts 160, 162 and 164 (the "Federal Security Regulations"), and the federal standards for electronic transactions contained in 45 C.F.R. Parts 160 and 162 (the "Federal Electronic Transactions Regulations"), all as may be amended from time to time, and all collectively referred to herein as "HIPAA Requirements." Each party agrees to enter into any further agreements as necessary to facilitate compliance with HIPAA Requirements.

19. **Access To Records.** Pursuant to the requirements of 42 CFR §420.300 et seq., each party agrees to make available to the Secretary of Health and Human Services ("HHS"), the Comptroller General of the Government Accounting Office ("GAO") or their authorized representatives, all contracts, books, documents and records relating to the nature and extent of costs hereunder for a period of four (4) years after the furnishing of Services hereunder for any and all Services furnished under this Agreement. In addition, each party hereby agrees to require by contract that each subcontractor makes available to the HHS and GAO, or their authorized representative, all contracts, books, documents and records relating to the nature and extent of the costs thereunder for a period of four (4) years after the furnishing of Services thereunder.

20. **Execution of Agreement.** This Agreement shall not become effective or in force until all of the below named parties have fully executed this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

HTI Memorial Hospital Corporation dba Skyline Medical Center
3441 Dickerson Pike
Nashville, Tennessee 37207

By: 
Its: Chief Executive Officer

TENN SM, LLC dba Providence Surgery Center
5002 Crossing Circle, Suite 110
Mt. Juliet, Tennessee 37122

By: 
Its: RVP Operations

Attachment C



September 21, 2016

Mr. Troy A. Damewood, Administrator
Providence Surgery Center
5002 Crossing Circle, Suite 110
Mount Juliet, TN 37122

Dear Mr. Damewood:

The East Tennessee Regional Office of Health Care Facilities conducted a recertification survey on June 27 - 29, 2016. A Health desk review was conducted on August 11, 2016. Fire Safety on-site visit was conducted on September 12, 2016. Based on the reviews, we are accepting your plan of correction and your facility is in compliance with all participation requirements as of August 11, 2016.

If you should have any questions, please contact the East Tennessee Regional Office.

Sincerely,

Tamra Turberville, R.N.
Regional Administrator
East TN Health Care Facilities

TT:cvb

Attachment D

4/9/2019 4:11:59

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Supplemental #2

March 28, 2019

11:57 A.M.


AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: PROVIDENCE SURGERY CENTER

I, M. COREY RIDGWAY, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

 Market President
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 28th day of March 2019, witness my hand at office in the County of Davidson State of Tennessee.


NOTARY PUBLIC

My commission expires September 6, 2022.

HF-0043

Revised 7/02



